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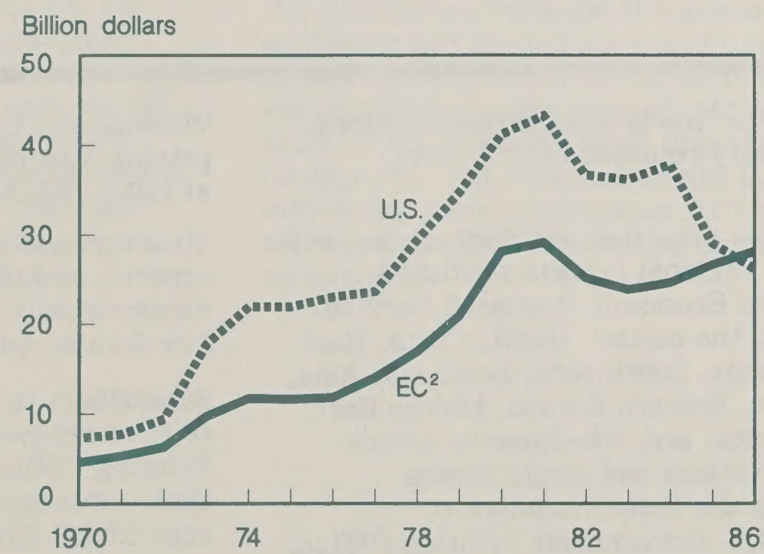
Western Europe

Situation and Outlook Report

EC and U.S. Agricultural Exports[1]



1/ Excluding intra-EC trade
2/ EC-6 from 1970 through 1973; EC-9 1974-80; EC-12 from 1985.

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Appreciation is extended to the U.S. Agricultural Counselors and staffs in Western Europe.

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DEFINITIONS

Measures--The metric system is used in this report, unless otherwise indicated. The following are conversions to the U.S. system of weights and measures: 1 hectare, 2.471 acres; 1 metric ton, 2204.6 pounds; 1 kilogram, 2.2046 pounds; 1 liter, 1.0567 quarts; and 1 hectoliter, 26.418 gallons.

ACP's--African, Caribbean, and Pacific States participating in the Lome Convention that regulates economic relations between these countries and the European Community.

EC--European Community, also referred to as the Community. An economic customs union originally composed of six members--Belgium, Luxembourg, France, Italy, West Germany, and the Netherlands. Denmark, Ireland and the United Kingdom (U.K.) joined the EC January 1, 1973; Greece joined January 1, 1981. EC-10 refers to the Community of 10 members, before the accession of Spain and Portugal this year. EC-12 refers to the present Community of 12.

CAP--Common Agricultural Policy of the European Community.

GATT--General Agreement on Tariffs and Trade.

Unit of Account (u.a.)--Prior to April 9, 1979, the standard value used by the EC for transactions within the CAP. In mid-March 1979, the agricultural unit of account was equal to about $1.60. A different unit, called the European unit of account (EUA), was introduced in 1975. Its value in relation to the dollar is announced daily, and it is generally worth more than the agricultural unit of account.

European Monetary System (EMS)--A common monetary arrangement for the Community, implemented in March 1979. It includes credit mechanisms and compulsory intervention to ensure greater stability of European exchange rates.

European Currency Unit (ECU)--The core of the EMS, the ECU serves as the monetary denominator for the exchange rate, credit, and intervention mechanisms of the EMS. On April 9, 1979, the ECU became the standard value for transactions within the CAP including the determination of support prices, import levies, and export subsidies. The value of the ECU is calculated from a weighted basket of all EC-10 member currencies, identical to the basket used for the EUA and equal to an average of $0.75 during 1984.

Green rate of exchange--The exchange rate used to convert ECU's into national currencies (and vice versa) in all financial and commercial transactions covered by the CAP.

Green currency (e.g., green pound, green lira)--Indicates the use of green rates of exchange for CAP purposes.

Monetary Compensatory Amounts (MCA's)--Border taxes or subsidies that offset the divergence between the green rate of exchange and the actual market rate of exchange. For those countries in which currencies have depreciated, MCA's (negative MCA's) act as subsidies on imports and taxes on exports. For those countries in which currencies have appreciated, MCA's (positive MCA's) act as taxes on imports and subsidies on exports.

SUMMARY

The general economy will affect European Community (EC) agricultural policy primarily through the effect of inflation and interest rates on exchange rates, and, in turn, the spread between world and EC farm commodity prices. The lower-valued dollar and the 1985 Food Security Act, which has lowered international prices, have widened the gap between world prices and the high internal prices maintained by the EC's Common Agricultural Policy (CAP). Consequently, the cost of the CAP has ballooned, creating pressures for policy and price changes.

Preliminary data on farm income for 1986 indicate essentially no change after 1985's 8 percent dip. Farm income measured in nominal currency has been volatile in recent years, but more troublesome for EC farmers is the steady fall in real income since 1975. EC farmers' value added per worker remains below that off farms, but nonfarming activities have become an increasingly important source of farm funds.

As budget difficulties mount, agricultural policy debate in the EC reflects greater political pressure than ever before to reform the CAP, but concerns to protect farm income virtually ensure that future CAP reforms will be evolutionary rather than swift. Current proposals of the Commission (the EC administrative body) include increased funding that will be more significant than accomplished or proposed CAP reforms. However, the price proposals for 1987/88 included weakened intervention support for the principal agricultural markets, and increased farmer responsibility for the cost of surplus disposal.

Drought cut EC-12 agricultural production in 1986, but the outlook for 1987 is for large crops. Despite some EC farm price reductions last year, and proposals for more in 1987/88, support levels remain strong incentives to farm production.

Trade negotiations between the United States and EC have included successful negotiations and on-going disagreement on a wide range of issues. The United States hopes to gain EC agreement to limiting use of farm export subsidies in the new Uruguay Round of the Multilateral Trade Negotiation (MTN) talks, which began in September 1986. U.S.-EC trade disputes are taking place against a background of a long-run decline in U.S. farm sales to the EC--still the largest customer for U.S. farm products--as well as increased U.S.-EC competition for third markets.

Wheat yields in the EC have increased so fast that production has doubled in the past 25 years while area declined by 14 percent. An accommodating climate, new wheat varieties, policy incentives that encourage production, and the consequent intensive use of purchased inputs have raised yields, enabling the EC to become a net exporter of wheat in the 1980's.

GENERAL ECONOMIC SITUATION

Although the EC Commission estimates economic growth in the EC at 2.8 percent for 1987, following 1986's rate of 2.5, the expansion does not appear sufficient to ease resolution of the EC's on-going farm policy dilemmas. The overall growth rate is unlikely to affect demand for agricultural products, which is relatively unresponsive to income growth in advanced, industrialized economies. The most important macroeconomic variables for EC agricultural policy therefore will likely be inflation and interest rates, especially because of their effect on exchange rates and, in turn, the spread between world and EC farm commodity prices. This large spread has sharply increased outlays for agricultural support.

Inflation and Interest Rates Falling

The current business expansion in the EC is unusual because inflation rates have been declining. Inflation in the EC is forecast by the Organization for Economic Cooperation and Development (OECD) at 3 percent in 1987, following 3.7 in 1986 and 5.8 in 1985. The forecast for the United States is also for 3 percent, following 2.25 and 3.5. The relatively low inflation rates are due in large part to sharp declines in energy and commodity (including agricultural) prices.

Table 1—Growth of real gross domestic product

Country	1984	1985	1986 1/	1987 2/
	Percent change from previous year			
European Community	2.5	2.4	2.5	2.75
Belgium	1.3	1.1	2.0	2.0
Denmark	3.4	3.8	2.75	.5
France	1.5	1.4	2.0	2.25
Germany, West	3.0	2.5	2.75	3.00
Greece	2.8	2.1	0	-.5
Ireland	1.8	.2	1.5	2.0
Italy	2.8	2.3	2.5	3.0
Luxembourg	4.9	1.9	2.25	2.5
Netherlands	2.3	1.8	1.5	1.5
Portugal	-1.5	2.8	4.25	3.5
Spain	2.2	2.1	3.0	3.25
United Kingdom	3.0	3.5	2.25	2.75
Other Western Europe				
Austria	2.0	3.0	2.25	2.5
Finland	2.8	2.8	1.5	2.0
Norway	5.6	4.2	4.25	2.0
Sweden	3.4	2.3	2.25	1.25
Switzerland	1.6	4.0	2.0	1.75

1/ Preliminary. 2/ Forecast. (Note: The cutoff date for forecasts was November 17, 1986.)
Source: OECD.

The slowing of inflation has helped lower interest rates in both the United States and the EC. Short-term rates in West Germany and France are expected to be around 4 and 6 percent, respectively, compared with 6 for the United States. These relationships are little changed from 1986. Earlier, higher inflation-adjusted interest rates in the United States than in Europe contributed to a strong dollar. Now, inflation-adjusted interest rates could be a force weakening the dollar, if they move lower in the United States than in Western Europe. The possibility will be a constraint on U.S. monetary policy.

Exchange Rates Exerting Strong Influence

Exchange rate fluctuations between the European Currency Unit (ECU) and the dollar have greatly increased political and financial pressures on the Common Agricultural Policy (CAP). The lower-valued dollar and the 1985 Food Security Act, which has lowered international prices, have widened the gap between world prices and the high internal prices maintained by the CAP. Consequently, the cost of the CAP has ballooned, creating pressures for policy changes and moderate or no price changes.

Over the 2-year period ending January 1987, the dollar declined more than 40 percent against the ECU. Over approximately the same period, the world price of wheat as a percent of the EC threshold price plummeted from 95 percent to 45. The corresponding dive for corn was from 71 percent to 32. Against this situation, it is not surprising that EC budget expenditures for export subsidies, which bridge the gap between EC and world prices for most commodities, rose nearly 30 percent in 1986. The dollar has continued to fall, at first reflecting government announcements indicating that it should, and possibly also reflecting U.S. and other countries' intervention in currency markets. The United States and other developed countries have conferred regularly during the dollar's fall and have intervened in currency markets to guide exchange rates. Future developments are uncertain, and depend on economic conditions, inter-governmental cooperation on currency markets, and the propensities of currency traders.

Table 2--Western Europe's consumer prices and food prices, with expenditures for food and beverages as a percentage of household consumption expenditures

Country	Consumer prices (all items)			Food prices			Expenditures for food & beverages 1/
	1985	1986	1985 to 1986	1985	1986	1985 to 1986	1984
	1980 = 100		Percent	1980 = 100		Percent	Percent
European Community							
Belgium	140	142	1.4	141	143	1.4	23.4
Denmark	146	152	4.1	148	152	2.7	21.6
France	158	162	2.5	161	167	3.7	20.3
Germany, West	121	121	0	117	118	0.9	21.5
Greece	256	315	23.1	263	316	20.2	40.4
Ireland	179	185	3.4	160	167	4.4	2/37.7
Italy	190	201	5.8	178	187	5.1	27.6
Luxembourg	140	140	0	141	145	2.8	3/18.5
Netherlands	123	123	0	116	115	-0.9	17.5
Portugal	284	316	11.3	291	317	8.9	5/35.7
Spain	178	194	9.0	178	197	10.7	3/6/31.7
United Kingdom	142	146	2.8	133	138	3.8	17.0
Other Western Europe							
Austria	127	129	1.6	123	125	1.6	21.6
Iceland	728	889	22.1	688	857	24.6	4/24.1
Finland	151	156	3.3	157	163	3.8	24.7
Norway	154	165	7.1	163	178	9.2	24.2
Sweden	154	160	3.9	173	185	6.9	22.8
Switzerland	123	124	0.8	129	131	1.6	6/27.6

-- = Not available.
1/ Percent of total private consumption expenditures excluding food and beverages purchased in hotels, as well as most institutional purchases. The comparable figure for the United States in 1983 was 13.9. 2/ 1983. 3/ 1982. 4/ 1980. 5/ 1981. 6/ Includes tobacco.

SOURCE: OECD.

The decline of the dollar so far has not produced major changes in trade balances among the United States and major trading partners. The OECD forecasts large current account surpluses for West Germany and Japan in 1987, and a large deficit for the United States. The United States has felt that West Germany and Japan should expand their economies and make their markets more accessible to U.S. products, in order to shrink their surpluses and expand U.S. sales. Japanese officials have recently announced intentions to stimulate their economy with lower interest rates. The macroeconomic policies of these countries and their trade balances will continue to influence the cost of the CAP and adjustments in EC policies.

EMS Realignment---Open Question

Internal monetary developments have also exacerbated the EC's budget process. Adjustments to ease budgetary pressures have been made to the CAP grain, dairy, and beef regimes, but the January 1987 realignment of currency values in the European Monetary System (EMS)---which has led to an upward valuation of the West German mark against the other European countries---allows potential additional price increases for agriculture in all countries except West Germany. Support prices are expressed in "green" ECU's, but tied to the strongest currency, the West German mark. In past realignments that made the "green" ECU more valuable in terms of the other currencies, prices increased in those currencies by more than their inflation rate. Such increases raised the cost of the CAP, measured in financial ECU's. (The financial ECU represents a weighted average of all members' currencies.) It remains to be seen whether such price increases will follow the 1987 realignment.

Unemployment May Affect the CAP

The EC Commission anticipates continued high unemployment rates (10.8 percent in 1987). Tight labor markets facing farmers and other Europeans intensify the political squeeze between international market prices and the

Table 3--Balance of payments on current accounts

Country	1984	1985	1986 1/	1987 2/
	Billion U.S. dollars			
European Community				
Belgium-Luxembourg	0	.8	3.75	4.75
Denmark	-1.6	-2.7	-4.25	-2.75
France	-0.8	-.2	3.75	2.25
Germany, West	7.0	13.2	3.25	26.25
Greece	-2.1	-3.3	-1.75	-1.25
Ireland	-.9	-.6	-.50	-.50
Italy	-2.9	-4.2	4.75	2.50
Netherlands	5.0	5.2	7.25	6.25
Portugal	-.6	.4	1.75	1.25
Spain	2.0	2.7	4.75	5.25
United Kingdom	2.1	4.6	-.25	-4.75
Other Western Europe				
Austria	-.2	0	0	-.25
Finland	0	-.8	-.75	-1.00
Norway	3.0	3.0	-4.75	-6.00
Sweden	.4	-1.2	1.75	1.50
Switzerland	4.4	5.2	7.75	7.75

1/ Preliminary. 2/ Forecast. (Note: The cutoff date for forecasts was November 17, 1986.)
Source: OECD.

need to ease budgetary pressures. If supporting farm incomes through the CAP is made more expensive as world prices fall, modifications to the CAP might appear. Suggestions to separate the concept of income support from production policy have begun to surface in the EC, as they have in the United States. *[Lorna Aldrich (202) 786-1716, Ruth Elleson (202) 786-1719]*

FARM INCOME

Preliminary data indicate only a marginal increase of 0.1 percent in EC farm income in 1986, not much recovery from the previous year's decline of 8 percent. Farmers' income benefited from an increase in the marketable volume of most commodities except grains, olive oil, and potatoes. However, some EC countries fared better than others. Measured by an index of per capita real net value added (an index that measures farm revenues after adjusting for inflation), agricultural income rose in West Germany, France, the Netherlands, and the United Kingdom, and declined in the remaining member countries. West Germany's farm income rose the most (8.7 percent) because of especially good performance in the grain and oilseed sectors, while Ireland's fell the sharpest (7.3 percent) due to heavy rain on crop production. In Italy, Greece, and West Germany producers of some fruits and vegetables were adversely affected by the Chernobyl incident.

Farm Value Added Keeps Falling

Annual reverses in direction have characterized farm income movements in the EC since 1980. More troublesome for EC farmers is the steady fall in total value added, adjusted for inflation, since 1975. As a result, agriculture now accounts for only 3 percent of the EC's gross national product. The number of farms and farmers has declined, reflecting a 30-year trend toward labor-saving technology, policies encouraging larger, more specialized farms, and higher rewards in industry. These trends imply more favorable farm income opportunities in the future for those remaining in agriculture. However, many EC farmers, particularly those in highly developed, efficient producing countries carry large debt burdens. Debt repayment is highest in Denmark, at 45 percent (1985) of total income; in the Netherlands, the figure is about 20 percent. Younger farmers (35 years or less) have been the hardest hit by debt problems because they invested heavily prior to declines in farmland values and production cutbacks required by EC policies during the 1980's.

Farm Income Variations

Farm income in the EC has varied between farm sectors as well as between countries, and some farm commodities have been outperforming agriculture in general. Although in 1985/86, for all types of farms, the index of agricultural income (net value added) per farm worker declined to 96.5 (1981/82=100), the grain, hog, and poultry sectors gained.

Specialized grain holdings have generally earned the highest income in recent years. Income received from specialized hog and poultry farms also has been above average. Milk producers fared well until 1982/83. Recent EC dairy reforms resulted in reduced dairy revenues. Similarly, producers of most other surplus commodities such as beef and veal, have seen their incomes deteriorate during the 1979/80-1985/86 period. Specialist horticultural holdings have been improving their economic performance. Wine producers, however, generally have suffered income deterioration, although in 1986 they enjoyed a sharp rise in output.

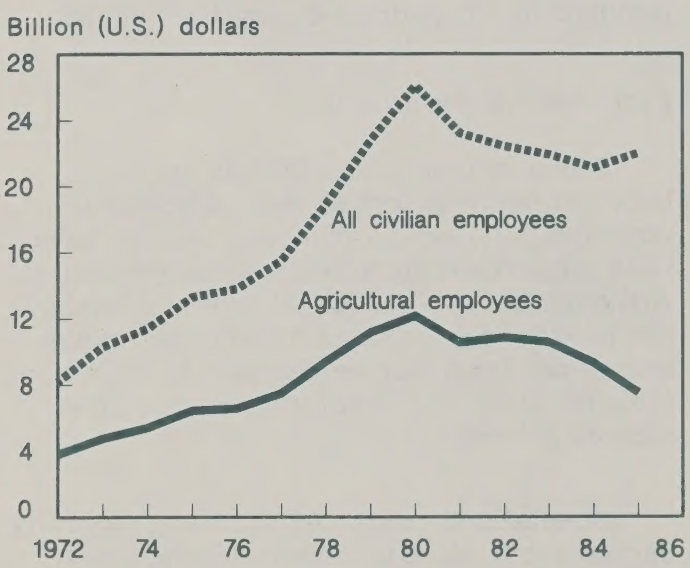
Table 4--Rate of change in agricultural input prices in the European Community

Country	1982	1983	1984	1985	1986
	Percent change from year earlier				
Belgium	10.9	8.5	5.8	-2.1	-0.8
Denmark	11.3	5.8	5.7	2.9	-5.0
France	12.0	9.7	7.4	2.2	-0.3
Germany, West	3.7	0.5	2.2	-1.9	-7.6
Greece	14.3	22.2	14.9	17.3	16.3
Ireland	9.1	10.1	7.8	1.4	-4.7
Italy	14.3	12.1	8.9	1.9	-0.7
Luxembourg	9.4	9.2	6.4	-1.3	-2.6
Netherlands	3.6	3.5	3.4	-4.1	-9.0
Portugal	--	--	--	--	--
United Kingdom	7.4	6.4	3.9	1.2	-0.8
Total EC	9.8	7.9	6.2	1.1	-1.7

-- = None or negligible.

Source: The Agricultural Situation in the Community, 1986 Report, European Community, 1987 and Western Europe, Outlook and Situation Report, ERS, May 1985.

EC-10 Per Capita GDP



Denmark, the United Kingdom, and the Netherlands have led the EC in farm income, while Portugal, Greece, and Spain have lagged. During 1983-85, Denmark's hog sector recovered from its financial crisis of the early 1980's, as exports and prices recovered, and led the EC in per capita income in that sector. The United Kingdom skyrocketed to the EC's top position in net farm income during 1983-85 largely because of success in the grain sector. The northern EC countries rank high in virtually all the broad production categories except vineyard (wine, raisin, table grape) production.

Farm/Nonfarm Income Gap Persists

EC farmers' returns are still far below nonfarm returns (see chart), and in 1985, they fell to levels of the late 1970's. Relatively high input costs, as well as high interest payments on debt, played an important role in undercutting profitability for many EC farmers.

During 1975-85, the ratio of farmgate to input prices weakened. However, input prices fell steeply in 1986, while the index of producer prices increased by 1.7 percent (see table). Prices of major inputs like energy, fertilizers, and feeds declined sharply. The weakening of the U.S. dollar also lowered prices for raw materials shipped to Western Europe. Greece was the only EC member with higher input prices in 1986 (+16.3 percent--reflecting the country's high inflation rate).

Off-Farm Income Gains

Income received from nonfarm activities has become an increasingly important source of farm funds. A report recently published by the European Community, "Study of Outside Gainful Activities of Farmers and Their Spouses in the EEC," found a relatively high percentage of farm owners that held more than one job. West Germany has the highest percentage of part-time farmers, at 43.2

Table 5--Rate of change in agricultural producer prices in the European Community

Country	1982	1983	1984	1985	1986
Belgium	11.4	8.0	5.8	-2.0	-0.8
Denmark	11.5	4.9	5.7	-2.9	-5.0
France	11.7	8.9	3.2	1.6	-0.5
Germany, West	2.6	-1.2	-1.3	-3.8	-4.4
Greece	23.7	17.2	20.3	18.1	15.8
Ireland	8.1	6.5	3.0	-2.7	-0.4
Italy	16.0	9.6	7.2	6.2	3.2
Luxembourg	17.7	8.0	1.4	3.2	-0.4
Netherlands	2.4	1.9	1.8	-1.9	-5.6
Portugal	--	--	--	--	--
United Kingdom	6.7	5.6	0	-1.7	1.7
Total EC	11.3	7.6	4.7	3.0	1.7

-- = None or negligible.

Source: The Agricultural Situation in the Community, 1986 Report, European Community, 1987, and Western Europe, Outlook and Situation Report, ERS, May 1985.

percent, followed by France with 38 percent, and Belgium with 32.6 percent. The United Kingdom, Denmark, and the Netherlands, countries with capital-intensive agriculture, have the lowest percentages of part-time farmers. Part-time farm holdings in the EC are more prevalent in the countries--Ireland, Greece, Italy--characterized by labor-intensive units.

Although the study does not provide comparative data for the farm and nonfarm sectors, it indicates the growing importance of nonfarm employment. In France, where over two-thirds of farm households earn income outside of agriculture, off-farm income as a percentage of total agricultural income has increased sharply from 31 percent in 1970 to 42 percent by 1981. In West Germany, about 70 percent of farm households earn off-farm income, and even households whose main activity is farming earned 51.9 percent of income off the farm in 1981/82. Off-farm employment has important implications for future agricultural, social, and economic policy in several non-EC Western European countries too, especially because it contributes to maintaining the rural population and conserving the rural environment. *[Marshall H. Cohen (202) 786-1716]*

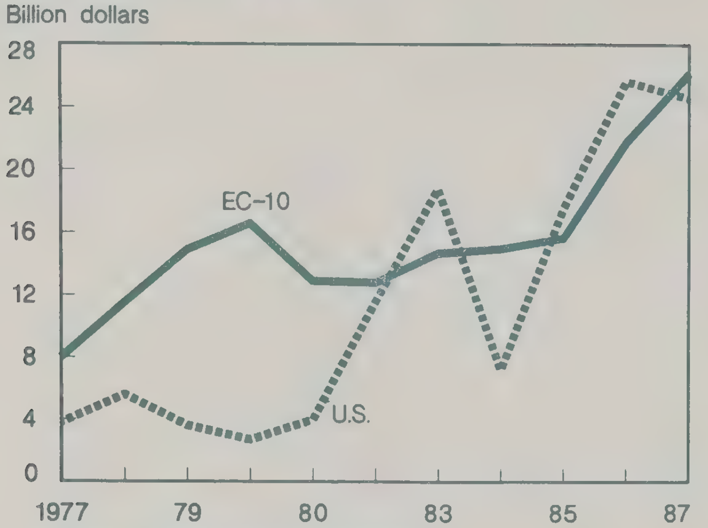
AGRICULTURAL POLICY

EC policymakers are increasingly confronted by conflicting pressures to reform the Common Agricultural Policy (CAP) and maintain farm income. Budget overruns have grown so large that they can no longer be readily managed by payment delays and borrowing from national governments as they were from 1983 to 1985. Mounting surpluses, which add to disposal costs, as well as growing international criticism of the CAP's pushing of surpluses onto world markets at subsidized prices, are now rapidly increasing calls for CAP reform. The CAP has already undergone significant modifications in recent years, notably in important revisions of the support programs for grains, beef, and dairy since 1983. However, poor farm income performance over the past decade has sustained political pressure for continued support of agricultural prices and income. Current EC proposals consequently include significant increases in funding along with cost-saving reforms.

Mounting EC Budget Difficulties

EC budget expenditures for agricultural support, as officially reported, increased by

Price and Income Supports: EC* and U.S. Outlays



* EC-9 from 1977 through 1980; EC-10 thereafter.

almost 80 percent since 1982 to 22.2 million ECU's, or $21.8 million, in 1986. This figure significantly understates the real expenditure growth, however. According to the European Commission, the EC administrative body, "budgetary practices have emerged which fictitiously disguise the real impact of expenditure decisions." In 1984 and 1985, national governments had to advance funds to the EC to cover expenditures. A 20-percent increase in EC funding from an increased share of the value added text (VAT) was arranged for the beginning of 1986, but that increase, expected to last for about 3 years, was fully exhausted in 1985--before it was legally available.

The exhaustion of available resources led to underbudgeting in 1986 and 1987. The deficits for 1986 and 1987 are estimated by the Commission at 2.3 and over 5 billion ECU's, respectively. These deficits do not include the costs of depreciating intervention stocks still valued at purchase prices. At the end of 1986, EC intervention stocks valued at 11.2 billion ECU's were worth only 3.7 billion ECU's. Commission figures indicate that complete funding for 1986, including depreciation of stocks, would have required 4.5 billion ECU's more than total available EC financial resources. The EC has recently set plans to dump a million tons of old butter on domestic and export markets at a cost of 3.2 billion ECU's, which will be met by member states until 1989. National governments will be reimbursed, including interest, over the following 4 years.

Unexpected revenue shortfalls generated part of the 1986 deficit. Agricultural support expenditures also were much larger than budgeted for, primarily because the value of the dollar declined much more than forecast relative to the agricultural (or "green") ECU, 27 percent during 1986. Also, the U.S. Food Security Act resulted in downward pressure on world prices. EC export subsidy costs increased substantially in consequence. EC wheat export subsidies rose from 65.97 ECU's per ton in December 1985 to 132.50 ECU's in December 1986 and have continued to increase somewhat this year.

Prospects for CAP Reform

The EC Commission's recent *Report on the Financing of the Budget and its Price Proposals for 1987/88* provide startling presentations of the CAP's budgetary and surplus disposal problems. Having identified the basic irreconcilability between the need to control budget costs and the unlimited nature of the CAP's farm support mechanisms, the Commission has proposed tighter controls on agricultural budgeting and spending, with limitations on intervention and other support being coupled to annual budgeting.

While the Commission appears to have realistically presented the CAP's problems and is pursuing a path of moderate reforms, current Commission proposals include increased funding that is more significant than proposed CAP reforms. The Commission estimates that its price proposal package will provide savings of 1.2 billion ECU's in 1987 and 3.5 billion ECU's in 1988, but the vegetable oils tax (discussed below) included in those proposals is estimated to provide 2.1 billion ECU's in a full year.

The primary source of EC budgetary revenue is the VAT. At present, two-thirds of contributions from member states to the EC are based on a percentage, limited to 1.4 percent, of each member state's VAT base. Current proposals, to be in effect until 1992, would replace those funds with contributions based on member states' Gross National Product (GNP). Doing so would provide about 40 percent more total resources for the EC than under the current VAT ceiling. Revenue still would be raised from traditional sources, including customs duties and agricultural levies.

1987/88 Price Package Proposals

In its price proposals for 1987/88, the Commission has stated its intention to "continue to encourage farmers to respond to the realities of the market and to depend less on intervention and more on proper market outlets for their incomes." These goals would be achieved in part by weakening intervention support for the principal agricultural markets, and in part by increasing farmers' responsibility for the cost of surplus disposal.

For 1987/88, the Commission has proposed holding prices at 1986/87 levels for milk, beef, pork, mutton, sunflowers, and olive oil, while cutting prices by 3–5 percent for sugar, rapeseed (except 00 varieties), soybeans, processing tomatoes, and grains. However, other measures, mostly pertaining to intervention regulations, are likely to cause effective price reductions for beef and dairy products, and a larger decrease in farm prices for grains than the proposed support prices alone would suggest.

Support of the dairy sector has long been the most costly part of the EC agricultural budget, and in 1984 the EC adopted milk delivery quotas that were to be enforced by superlevies of 75 to 100 percent of the intervention price on above-quota production. The original quotas maintained a large production surplus, and enforcement allowed quota reallocations within member states which reduced production cuts. In April 1986, the EC Council agreed on quota reductions of 2 percent for 1987/88 and 1 percent for 1988/89. In December, quotas were reduced an additional 5-1/2 percent.

The present butter intervention system also will end during 1987, after a certainquantity has been purchased into intervention. Thereafter, butter intervention may be suspended, until market prices fall below 92 percent of the intervention price. From March through August, intervention purchases of skimmed milk powder (SMP) also may be suspended. These intervention changes will reduce effective butter, skimmed milk powder, and milk prices. Reforms adopted for the beef sector in December 1986 will reduce intervention purchases. Both the prices triggering required intervention and the actual buying-in prices will be substantially reduced, although intervention buying will remain automatic under certain conditions. Buying-in prices should be at least 13 percent lower under the new system.

Proposed adjustments in the grains intervention system would result in a further 5–8 percent reduction in grain prices, independently of changes in ECU support prices. Monthly increments to intervention prices would begin only in March rather than in August. Increments still would be applied from August through May for target and threshold prices. The Commission proposals also would limit obligatory intervention for grains to the February–May period. These provisions continue a process of reduction in the effectiveness of intervention support for grains that began in 1983 with the imposition of intervention payment delays, increased quality standards, and suspension of intervention for bread wheat. These actions have served to reduce EC grain support.

EC Agrimonetary Developments

To minimize increases in support prices stated in national currencies, the Commission has proposed only moderate changes in the green rates used to convert EC support prices stated in ECU's into national currencies. Given the limited green rate changes proposed, average support price changes in the EC-10 would be reduced by .5 percent, as expressed in ECU's, but increased by .2 percent when expressed in national currencies.

Commission price proposals for 1987/88 also include controversial changes in the complex EC agrimonetary system. The green ECU would be formally retained, but a realignment of EC currencies in the European Monetary System (EMS) under the proposed changes would have the same effects on EC price levels, stated in national currencies, as before 1984. The upward bias to support prices that resulted from the green ECU system would be removed.

The EC Vegetable Oil Tax Proposal

The EC Commission's price proposals for 1987/88 include a controversial tax of 330 ECU's per ton on all vegetable and marine oils and fats for human consumption. This tax is part of a proposed "stabilization scheme" that

would maintain the price of soyoil within the EC at the 1981–85 average. The tax would reduce EC vegetable oil consumption and increase EC vegetable oil exports, reducing world vegetable oil prices. The principal motive for the tax is the additional 2.1 billion ECU's in forecast revenues.

The world's major vegetable oil and oilseed exporters have widely denounced the vegetable oil tax proposal. Some claim it is in clear conflict with the EC's undertaking to assist the less developed countries as stated in its agreement with the Association of South East Asian Nations (ASEAN). The tax would significantly reduce oil export revenues of a number of developing countries, such as Malaysia, where palm oil is the second largest contributor to GNP.

The EC asserts that the proposed tax is legal under the General Agreement on Tariffs and Trade (GATT) because it is applied to oils and fats from domestically produced sources as well as imports and therefore is not discriminatory. Other countries argue that the tax is discriminatory because it is not applied to animal fats, such as butter. Furthermore, it may impair the value of the EC's GATT commitments to third countries.

The United States considers the tax to be directly contradictory to the statement of intent on agricultural protection made by all GATT signatories at the preliminary ministerial meeting in Uruguay last autumn. During recent negotiations, the EC reaffirmed its original GATT commitment not to place import levies on soybeans and products, and extended this commitment to Spain and Portugal. The vegetable oil tax, if adopted, could seriously impair prospects for general GATT negotiations. *[Gene Hasha (202) 786-1718]*

AGRICULTURAL PRODUCTION

Drought cut EC-12 agricultural production in 1986, but the outlook in 1987 is for large crops. Despite some EC farm price reductions last year, and proposals for more in 1987/88, support levels remain strong incentives to farm production. Input price increases subsided along with the general inflation rate during the past 2 years, and continued moderation is likely.

Grain Output Lull

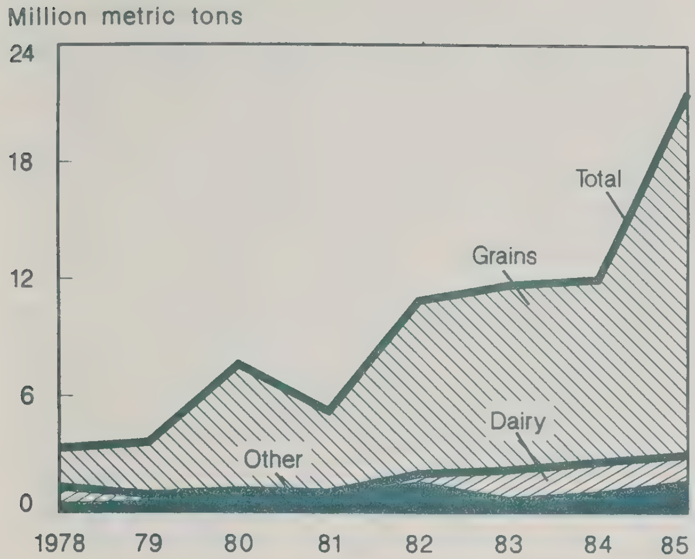
For the second consecutive year, bad weather limited grain crops. Consequently, output was low relative to the bumper year of 1984, although generally larger than in the early 1980's. Grain plantings were not discouraged by the proposed continuation of the "co-responsibility levy" introduced last season for all grain sold off the farm and the reductions in intervention support (see the "Agricultural Policy" section). Plantings of winter grains for 1987/88 are up slightly from a year ago.

Wheat production in 1986 was limited by drought, despite an increase in harvested area. Although yields were down from a year earlier, production rose 15 percent over the 1980–83 average of 62 million tons. This relatively large crop reflects a yield increase of 16 percent over the 1980–83 average of 3.91 tons per hectare. The strong upward trend in wheat yields suggests a large crop in the coming season (see the Special Article). A decline of 5 percent in the EC's intervention price for common wheat in 1986/87 failed to hold back 1986/87 plantings, and the Commission's proposed 2.6-percent decline for 1987/88 will probably not influence the coming crop significantly.

Feed grain production was down 8 percent in 1986. The decline reflected the drought, but also reduced area; yields and area were down 7 and 3 percent, respectively. Farmers had cut barley and oat acreage, leaving corn about the same. In the past three seasons, however, feed grain yields have exhibited the same pattern as wheat---bumper crops in 1984, followed by two smaller ones. Recovery in yields under improved growing conditions in 1987 would produce a very large crop. Intervention prices for barley, sorghum, and corn were reduced 2.3 percent for 1986/87, and a further decline of 2.6 percent (2.5 for corn) is being proposed for the coming season.

For the longer term, a significant decline in EC grain surpluses appears unlikely. EC prices remain high relative to world prices: The proposed price of 166 ECU's ($188) per ton for common wheat compares to a world price of 119 ECU's ($105) (March 1987); for corn, the respective figures are 175 ECU's ($198) and 55 ECU's ($62) per ton. The chances are that, for the EC as a whole, such prices will ensure

EC Government Stocks



continued high grain output, although possible future gains by other crops, especially oilseeds, relative to EC grain intervention prices, could in later years encourage farmers in some regions to switch out of grains.

Oilseed Uptake

EC oilseed production continued its upward trend in 1986, with area and production both up 14 percent. Production was less than planned, however, because drought cut the Spanish crop 13 percent, in spite of an acreage increase of 11 percent. In France, the other large EC producer, a 17-percent expansion of oilseed area produced a 25-percent larger crop.

The accession of Spain has made modification of oilseed policy more pressing. Under the GATT, oilseeds and products cannot be protected by the high EC import levies protecting other farm commodities. Commission estimates of support costs per hectare for oilseeds and grains indicate considerably greater expense to the EC in supporting the former: In 1984/85, rapeseed required approximately 319 ECU's per hectare in support costs, compared with 278 ECU's for common wheat. Some decline in oilseeds support has been proposed for 1987, and a system of "maximum guaranteed quantities," already in effect for rapeseed and sunflowerseed, is now proposed for soybeans as well. Under this system, if production exceeds specified quantities, price targets would be minimally reduced. However, it is the EC's long-term intention to support oilseed output as a means of cutting back both its high level of oilseed and product imports, and its surplus grain production. The EC therefore would like to increase revenues for the oilseed program by placing a consumption tax on vegetable and marine oil (see the "Agricultural Policy" section for details).

Future Uncertain
For Other Nongrain Crops

Olive oil production was down sharply in 1986, reflecting a large drop in the Italian crop because of severe frost damage. Olive oil presents a particular policy dilemma to the EC. On the one hand, surpluses are difficult to dispose of outside the Mediterranean area because of olive oil's particular flavor and its high price relative to most seed oils. On the other hand, olive oil is of such major and pervasive significance to farm income in the relatively overpopulated, disadvantaged regions where it is produced, that EC policymakers are faced with overriding political and social considerations when contemplating production curtailment. A "maximum guaranteed quantity" has been proposed by the Commission for 1987/88, but the proposed intervention price remains unchanged after being reduced 5 percent last season. The future production of olive oil will depend mostly on resolution of the policy problems involving oilseeds.

Sugarbeet production was unchanged in 1986. Sharp declines in Belgium-Luxembourg and the Netherlands were offset by recovery in Italy and gains in France. Sugar remains a surplus commodity whose production the EC is trying to restrain. Sugar producers receive full support prices only for part of their quota, a second part being supported at a lesser price, while any overage is sold at international prices. The Commission's 1987/88 price proposals call for reducing sugarbeet intervention prices by 2 percent, while increasing taxes used to cover refined sugar disposal costs. Still, the proposed intervention price of 531 ECU's ($600) per ton for refined sugar compares with an international price of 216 ECU's ($190) (April-May 1987), suggesting that considerable further reduction would be needed to significantly lower the EC sugar surplus.

Potato production in 1986 matched the 1985 crop, making three consecutive

above-average crops and reversing a downward trend. Farmers have turned to potatoes as an alternative to crops in surplus. The EC does not have a policy regime for potatoes, but some trade and producer groups have begun discussing the need for one, in anticipation of a further shift to potatoes as grain restrictions tighten.

Pork, Poultry, Dairy Buoy Livestock Output

EC-12 production of red meat increased in 1986, with pork offsetting decreases in other red meats. Poultry meat continued its upward trend, while egg output remained at the level of the past 2 years. Feed costs have been cut by the low international prices of oilmeal and nongrain feeds, at the same time that the co-responsibility levy on marketed grain has created incentive for feeding grain on the farm. Reduced intervention support for beef and veal apparently is discouraging the raising of cattle for meat.

Cows' milk production edged up in 1986, despite quotas on milk deliveries to dairies. Initially effective in curtailing production, the quota system introduced in 1984 has subsequently been dulled in its effect by somewhat lax administration. In 1987, control of dairy production will depend entirely on the quota system, because proposed intervention prices for butter and skimmed milk powder, the two main intervention dairy products, are unchanged from the previous season. If administered strictly, dairy quotas would induce increased beef production through cow culling.

Developments in Other Western European Countries

In Western Europe, only four Scandinavian countries, as well as Austria and Switzerland, remain outside the EC. In this grouping, wheat production in 1986 recovered from a depressed 1985 crop, but feed grain production declined sharply, reflecting decreased yields and lower acreage. Oilseed production was up marginally on larger area. Sweden has pioneered in developing commercially more acceptable, lower toxic-content rapeseed, which together with policy incentives, is likely to boost future output. Austria has announced plans to move ahead with an oilseed expansion

Table 6--EC degree of self-sufficiency, selected products 3-year averages 1/

Item	1969	1973	1979	1983
Wheat	90	104	118	131
Coarse grains	81	83	89	4/ 99
Sugar	82	91	124	2/ 132
Potatoes		101	101	102
Vegetables (fresh)	100	95	98	--
Fresh fruit (excl. citrus)	80	82	83	--
Wine	97	99	105	2/ 115
Beef & veal	91	92	102	105
Pork	100	101	101	102
Poultry meat	101	102	108	110
Sheep & goat meat	56	66	67	77
Total meat (excl. offal)	93	96	98	104
Eggs	100	99	101	107
Nonfat dry milk	140	143	116	120
Butter	91	98	118	135
Cheese	98	103	106	109
Total milk and dairy products 3/	96	103	115	125
Total fats and oils	--	75	81	--

-- = Not available. 1/ Years indicate middle year of a 3-year average. 2/ Average of 1981 and 1982 only. 3/ Whole milk equivalent, fat solid basis. 4/ Exceeded 100 percent self-sufficiency in 1984.

program intended to reduce both oilseed product imports and grain surpluses (exported at subsidized prices) by replacing some grain acreage with oilseeds (mostly rapeseed). A program had long been under consideration, but was always thwarted by Austrian commitments under the GATT not to fund the program with a consumption tax. The obstacle was removed when it was decided to fund the program through deductions from producer prices for grains. *[Lorna Aldrich, (202) 786-1716]*

AGRICULTURAL TRADE

A modest increase in U.S. farm shipments to the EC in 1986 appears to offer little reason for optimism about future sales. The United States has been negotiating to protect its farm exports to the EC, as well as to third country markets, where it has increasingly encountered subsidized competition from the EC. Nevertheless, U.S. "gains" in these disputes are most likely to take the form of cutting its losses.

Trends in U.S. Exports to the EC

U.S. farm exports to the European Community continued to decline in fiscal 1986

to $6.4 billion, or 3.3 percent below the previous year. However, oilseed and oilseed product shipments increased somewhat. The sharp plunge in the value of the U.S. dollar vis-a-vis West European currencies enhanced the competitiveness of some U.S. farm products. U.S. farm exports to the EC are expected to rise moderately in 1987, particularly high-value products, such as nuts, tobacco, and horticultural products.

The expected 1987 improvement in U.S. exports may represent only a hiatus in a long-run decline in farm sales. Powerful institutional factors have been responsible for the loss of the U.S. market share to the EC---still the largest customer for U.S. farm products. These factors include strong border protection (variable levies and quotas), rising self-sufficiency, high internal user taxes on tobacco, and, since 1984, reduced feed demand---a response to the EC-wide dairy reforms.

The situation in grains and oilseeds--the major U.S. export categories--has eroded since 1980. U.S. grain exports, once the most important commodity category shipped to the EC, have dropped dramatically because of variable levies, high prices, and rising EC self-sufficiency. The latter development reflects the EC's success with varietal experimentation in grains and oilseeds. A major factor explaining the sharp downslide in exports of U.S. hard wheat has been the EC's rapid growth in output of wheat gluten from

Table 7--U.S. agricultural exports to the EC-12

Commodity group	Fiscal years 1982	1983	1984	1985	1986
	Million dollars				
Animals & products	987	788	793	649	765
Meats & products	221	161	140	134	151
Inedible tallow	162	91	100	84	78
Cattle hides	103	103	90	96	106
Grains & feeds	3,403	2,488	2,621	1,800	1,507
Wheat & products	554	352	323	239	174
Rice	166	83	137	94	65
Coarse grains & products	1,952	1,163	1,316	800	343
Feeds & fodders	701	858	833	658	916
Fruits & preparations	229	183	156	136	161
Nuts & preparations	301	250	263	330	357
Vegetables & preparations	178	152	147	128	137
Oilseeds & products	5,173	4,403	3,378	2,318	2,506
Protein meal	965	961	601	323	542
Soybeans	3,835	3,135	2,452	1,728	1,823
Tobacco, unmfd.	616	636	669	663	549
Cotton, excl. linters	215	209	369	375	123
Other	274	296	244	265	321
Total	11,376	9,405	8,640	6,664	6,442
	1,000 metric tons				
Inedible tallow	385	250	225	193	253
Wheat & products	3,321	2,193	2,047	1,607	1,306
Rice	522	234	460	307	202
Coarse grains & products	16,863	9,651	9,205	6,704	3,154
Protein meal	4,322	4,439	2,584	1,741	2,752
Soybeans	15,037	13,125	8,491	7,435	8,863
Tobacco, unmfd.	108	113	107	108	95
Cotton, excl. linters	136	145	231	237	82

Sources: U.S. Bureau of the Census; ERS estimates.

domestic soft wheat, which has substituted for imported hard wheat for flour--a development likely to continue. The effect of EC expansion to include Spain and Portugal contributed to a general decline in U.S. grain sales. In calendar 1986, total U.S. agricultural exports to Spain and Portugal fell 22 percent as those countries began to implement the EC import levy apparatus, and grain shipments in particular fell about 4 million tons, to 2.3 million tons.

Except for last year, EC imports of oilseeds and products (largely soybeans) have trended downward since 1980, reflecting greater production and availability of other feeds, including domestically produced oilseeds. Oilseed area and production (especially rapeseed) have been encouraged by EC supports to oilseed crushers, at the same time that the northern EC producers (and Sweden outside the EC) have succeeded in producing rapeseed varieties with low or zero amounts of toxic erucic acids and glucosinates. These new varieties can be more widely used in the food and feed industries, and compete directly with U.S. soybeans and soybean meal. The downtrend was arrested in 1986 with an 8-percent rise in the value of U.S. oilseed and oilseed product exports to the EC. The reversal is attributable to more attractive prices for oilseeds and oilseed meals relative to grains (so that lower grain purchases were offset by oilseed/oilseed meal purchases), greater protein demand from feed sectors in the EC, lower supplies of competitors--particularly Brazil--and forward purchasing generated by the U.S.-EC trade dispute.

Sales of U.S. tobacco to the EC have been declining in recent years, largely reflecting public awareness of the effect of smoking on health, as well as high EC excise taxes on tobacco products. In addition, global competition has been fierce in recent years, when the U.S. dollar was relatively strong. However, market factors are expected to boost U.S. shipments in 1986/87. The U.S. farm program has legislated a substantial decline in support prices, and implemented a stock depletion program applying to high-quality tobaccos. Brisk sales should occur this year, especially in EC markets where stocks are low.

Similarly, U.S. cotton exports to the EC are expected to increase in 1986/87 following declines in both quantity and value since 1983. More competitive prices have resulted from the U.S. marketing loan program mandated by the Food Security Act. Marketing factors that favor a brisk rise in EC cotton demand include rising consumer preferences for natural fibers and strong increases in EC exports of cotton yarn.

Continuing US-EC Trade Negotiations

U.S.-EC trade relations during 1986 were characterized by both successful negotiations and on-going disagreement on a wide range of issues. Foremost among the unresolved matters is the EC's "Third Country Red Meat Directive," which went into effect on January 1, 1987, and requires that imports of meat from non-EC countries be made only from plants whose practices coincide with those established for EC processors. Virtually all of the $122 million (1986) U.S. exports of red meat and variety meats to the EC would be affected. EC officials have inspected U.S. meatpacking facilities and determined that plants not in compliance could continue shipments for the remainder of 1987 provided they submit plans for achieving compliance to the EC and gain approval before April 29, 1987. All other facilities were to cease shipment by that date.

A more significant threat to U.S. meat sales to the EC is the EC's ban on nontherapeutic use of hormones in animal raising. The directive implementing this measure was passed in December 1985, and will go into effect on January 1, 1988. It requires third country exporters, as well as the EC member states, to comply, if they are to have access to EC markets. Since the banned hormones are widely used in U.S. beef production, implementation of the directive would seriously threaten U.S. exports of beef and beef offals. In addition, some U.S. lamb, mutton, and goat meat are at risk. The United States and other meat-exporting countries have proposed alternative methods for the EC to respond to its health concerns regarding hormones, but to date the EC has rejected such proposals. Because scientific evidence indicating the alleged health threat is lacking, pressure has built for retaliation through limitations on the EC's $400-million meat exports to the United States. In February 1987, after months of formal and informal bilateral negotiations, the United States

initiated a dispute settlement process on this issue under the GATT's Standards Code.

On August 10, 1986, the United States and the EC reached an agreement resolving their 16-year-old dispute over citrus trade. Under the agreement, the EC will improve access for U.S. oranges, lemons, and mineolas in return for U.S. agreement not to protest the EC's preferential trade arrangements with Mediterranean countries. As a result of this agreement, the United States lifted its retaliatory duties on imports of EC pasta imposed in the fall of 1985. The EC, in turn, lifted its counter-retaliatory duties on U.S. lemons and inshell walnuts. During the course of the negotiations, both parties agreed to improve access for a number of other products as well. In return for EC concessions on frozen orange juice concentrate, grapefruit, roasted peanuts and almonds, the United States agreed to concessions on certain specialty cheeses, canned mandarin oranges, olives, canned anchovies, apple cider, capers, paprika, and olive oil. Final implementation of the citrus agreement, however, depends on Congressional approval of the tariff cuts, and also resolution by July 1, 1987, of the US-EC pasta dispute.

The United States remains concerned about EC reliance on export subsidies to move surplus agricultural commodities, including wheat and wheat flour, poultry, and sugar, and hopes to use the new Uruguay Round of Multilateral Trade Negotiations (MTN) talks, which began in September 1986, as a forum in which to gain EC agreement to limiting use of farm export subsidies. The EC, for its part, is interested in discussing market-sharing, and arrangements that would permit it to "harmonize" protection of its agriculture, trading some reduction in protection of grains for the opportunity to place import levies on oilseeds and nongrain feeds.

U.S. Grain Exports
Hurt By EC Enlargement

The end of January 1987 saw the United States and the EC on the brink of another round of trade confrontation. The primary cause was failure to agree on compensation to the United States for lost feed grain sales in Spain as a result of enlargement of the EC. Although Spain and Portugal began a 7-10 year transition to the EC's Common Agricultural Policy in March 1986 for most products, Spain immediately implemented the EC's variable levy on feed grain imports. As a result, U.S. corn exports to Spain faced an ad valorem equivalent tariff of over 200 percent, compared to a 20 percent pre-enlargement tariff.

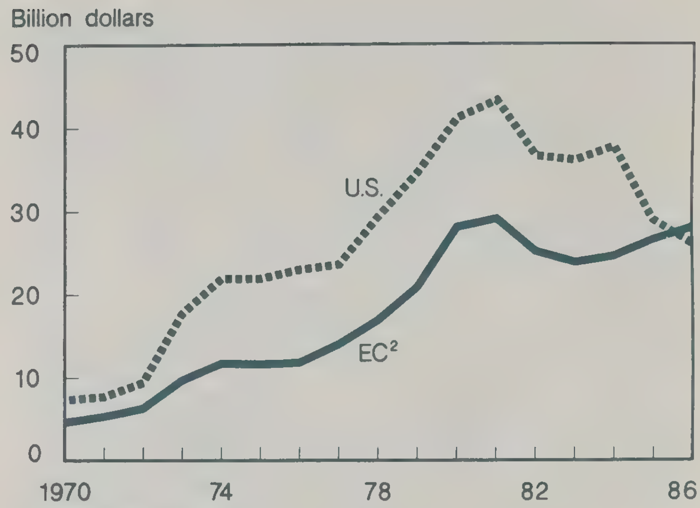
Spain and Portugal accounted for as much as 10 percent of U.S. feed grain exports and nearly 12 percent of soybean exports as recently as 1983. U.S. coarse grain exports to Spain fell to 1.7 million metric tons in fiscal 1986, down from a 1981-83 average of 3.7 million tons. Without levy reductions, U.S. feed grain exports were expected to decline further, even though the 1986 Spanish grain harvest fell 30 percent due to drought. Imports of grain from France and the United Kingdom, as well as sales of grain stored by the Spanish intervention agency, covered the shortfall. Nongrain feed ingredient imports also increased as a result of the combination of the variable levy on grains and the absence of EC tariffs on oilseeds and most nongrain feeds.

The United States aggressively pursued compensation for the loss of the Spanish feed grains market, under the terms of Article 24:6 of the General Agreement on Tariffs and Trade (GATT). In order to move compensation negotiations along, the United States also threatened tariff increases that would have virtually halted a variety of U.S. food and beverage imports from the EC if an acceptable settlement including significant compensation in the agricultural sector, was not reached by July 1, 1986. In return, the EC planned to place large tariffs on U.S. exports of corn gluten and rice to Europe. A major trade dispute was narrowly averted when both sides accepted an interim agreement which allowed up to 1.4 million metric tons to enter the EC-10 at a reduced levy for the second half of 1986, the volume being discounted by actual shipments of nongrain feed ingredients (corn gluten feed, distillers dried grains and citrus pulp) to Spain. (For further information on the trade dispute, see *Agricultural Outlook*, July and August 1986, and March 1987.)

On January 29, 1987, the United States and the EC successfully concluded negotiations pertaining to EC enlargement. Under the terms of the settlement, the EC agreed to extend its zero duty bindings on

soybeans and corn gluten feed to Spain and Portugal. The EC also agreed that Spain will import 2 million metric tons of corn and 300,000 tons of sorghum annually from non-EC sources over the next 4 years. Imports will either be facilitated by reductions in the variable levy, or accomplished through direct imports by EC intervention agencies. Required imports under the agreement will be reduced by the volume of nongrain feed ingredients imported. The EC also agreed to lift a requirement that 15.5 percent of grain imports by Portugal come from the other 11 members of the EC. Tariffs on 26 other agricultural products and industrial goods were also reduced. *[Cheryl Christensen (202) 786-1720, Marshall H. Cohen (202) 786-1716, Mark Newman (202) 786-1719]*

EC and U.S. Agricultural Exports[1]



1/ Excluding intra-EC trade
2/ EC-6 from 1970 through 1973; EC-9 1974-80; EC-12 from 1985.

BACKGROUND TO THE DISPUTES: U.S. - EC COMPETITION IN THIRD MARKETS

The EC's export position in agricultural products has shifted dramatically since the 1960's when the CAP first came into operation. The CAP, as well as technological advances, have stimulated output of temperate zone products (dairy products, beef, cereals and sugar), creating large exportable surpluses. The surpluses, combined with export subsidies, have transformed the EC from a major world importer of these products into a major world exporter. This has created serious competition for the United States in world markets.

During 1970-85, U.S. and EC agricultural exports moved in tandem (see charts). Ninety-five percent of variation in the U.S. exports was associated with a similar variation (in the same direction) in EC exports. After jointly rising to a peak in 1981, both U.S. and EC farm exports have fallen. However, despite the continued drop in U.S. agricultural exports, EC-10 exports have started to rebound since 1983. Current estimates are that the enlarged EC passed the United States as the world's largest agricultural exporter in 1986.

U.S.-EC market shares in most regional markets of the world, however, did not move in tandem. Between 1970 and 1985, both U.S.

Table 8--US-EC-10: Exports of agricultural commodities by destination shares, average 1970-72 and 1983-85

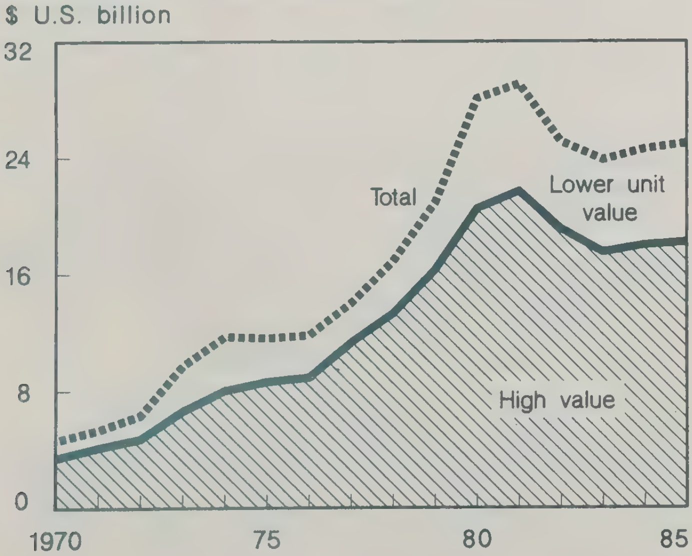
Destination	1970-72			1983-85		
	United States	EC-10	Other	United States	EC-10	Other
	Percent					
EC-10	19.64	--	80.36	30.36	--	69.64
United States	--	17.55	82.45	--	33.78	66.22
Other Western Europe	15.33	41.14	43.53	23.75	45.67	30.58
Canada	59.54	12.34	28.12	59.75	20.96	19.29
Eastern Europe	12.01	25.08	62.91	17.14	28.26	54.60
USSR	10.38	5.74	83.88	23.23	16.85	59.92
Africa	15.18	43.08	41.74	25.38	45.10	29.52
Middle East	22.20	22.76	55.04	16.62	34.34	49.04
Latin America	36.71	17.73	45.56	59.74	13.48	26.78
Asia	33.83	6.06	60.11	43.54	8.80	47.66
Oceania	12.90	27.83	59.27	16.02	35.43	48.55

Source: United Nations Trade Statistics
USDA/ERS/WEB Analysis

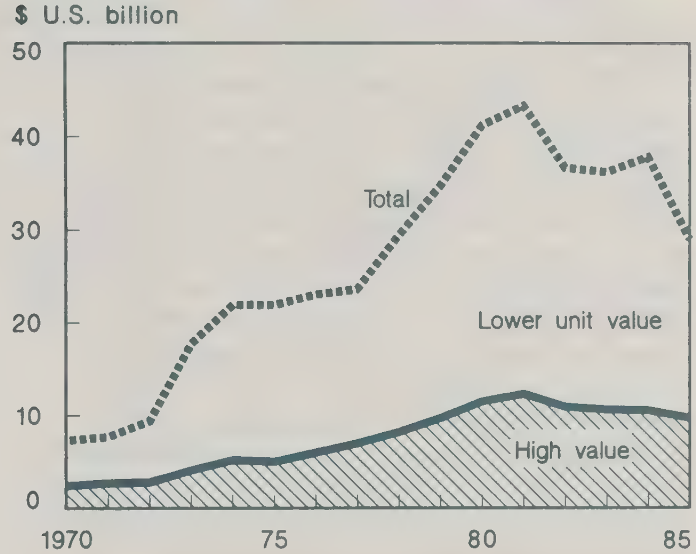
and EC market shares increased in most world markets (see table), but the rates of increase differed considerably. In fact, in the Middle East and Latin America, U.S.–EC shares moved in opposite directions. The overwhelming dominance of the EC or United States in particular regional markets reflects geographical proximity (lower transportation costs), and political or cultural ties.

U.S.–EC differences in market share performance may, in part, be explained by comparing the composition of agricultural products exported by the United States and the EC in terms of the degree of processing and unit value. The EC, with large numbers of relatively small farms, emphasizes intensive agriculture and food processing, and specializes in exporting high-valued products (HVP's). HVP's include: (1) semi-processed products, such as meat (fresh chilled and frozen), flour, sugar and animal feeds; (2) highly processed products such as preserved and prepared meats, milk, cheese, and cereal preparations; and (3) high-valued unprocessed products such as eggs, fresh fruits, and nuts. The United States, on the other hand, with larger farms and a relatively large agricultural land area, exports a high percentage of lower unit-value (bulk) products (LVP's), such as grains and oilseeds. HVP's made up about one-third of U.S. agricultural exports in 1985, the largest share since the early 1970's. In contrast, EC exports have been consistently about three-fourths HVP's and one-fourth LVP's.

EC Agricultural Exports: Higher and Lower Unit Value Products



U.S. Agricultural Exports: Higher and Lower Unit Value Products



In the Middle East, where the EC gained market shares at the expense of the United States, the total U.S. export gain for HVP's was particularly weak. Between 1970–72 and 1983–85, EC exports to this market increased about \$3.2 billion––\$2.7 billion for HVP's and \$500 million for LVP's. In contrast, the U.S. export increase to this market averaged about \$1.4 billion––less than half the EC gain––\$890 million for LVP's, but only \$540 million for HVP's.

Many rapidly developing countries, such as those of the Middle East, have only limited capacity for food processing, and therefore must import food in processed form to satisfy increasing domestic demand. Even though competition for HVP markets is strong and protection of domestic markets is widespread, the United States is targeting rapidly expanding markets for HVP's through the Targeted Export Assistance (TEA) program, not only in the Middle East, but in similar developing countries. Although bulk, LVP commodities will remain critical for U.S. agricultural exports, HVP exports represent an underexploited window of opportunity for U.S. agriculture and agribusiness. Faced with shrinking world markets and growing stocks of bulk commodities, increasing HVP exports may, in fact, be the only way for the United States to meet EC competition on world markets. *[Ruth Elleson (202) 786–1718]*

LONG-TERM EC WHEAT PRODUCTION PROSPECTS

Suzanne Dash, Lorna Aldrich

EC budgetary pressures have led to restraint in farm price policies and to discussion of new policies concerning the composition of EC farm output. Among the suggested measures is a proposal that grain area be reduced. The EC's role in world wheat markets, where it is a major competitor of the United States, could diminish as a result. The outcome likely will depend on the further evolution of wheat yields. Yields in the EC are on average above those in the United States and have been growing more rapidly than U.S. yields. EC yields have increased so fast that over the past 25 years production doubled although wheat area shrunk by 14 percent. This article discusses trends in wheat yields and demonstrates the implications of alternative potential trends for EC production by projecting supply and use through marketing year 1995.

Yields Make EC a Wheat Exporter

An accommodating climate, new wheat varieties, policy incentives that encourage production, and the consequent intensive use of purchased inputs enabled the EC to become a net exporter of wheat in the 1980's. Exports (excluding intra-EC trade) have averaged 16.5 million metric tons annually during the last 4 years (1982/83-1985/86), compared with a U.S. average of 35.5 million metric tons. The two regions have accounted for about 17 and 36 percent, respectively, of world trade in wheat and wheat products.

The EC trade position in wheat developed despite declining area. In 1960/61, production (including all 12 current members) was 34 million tons grown on 17.9 million hectares, compared with 72 million tons produced on 15.3 million hectares in 1985/86. Since area declined, all of the increase reflects higher yields. For comparison, U.S. wheat area has expanded 25 percent since 1960/61, to 26.2 million hectares, with production increasing from 36.9 to 66 million tons. EC yields for soft wheat (known as "common" wheat in the EC) averaged 5.1 metric tons per hectare in 1985/86 (75.8 bu/acre), significantly surpassing the U.S. average of 37.5 bu/acre.

Climate plays an important role in Europe's ability to achieve higher wheat yields; a continental climate, moist and without extreme temperatures, is ideal for small grains. The European climate is especially favorable for producing high yields of soft wheat having a lower protein content than the high-protein hard wheats that are more commonly grown in North America. The interaction of climate and the adoption of improved soft wheat varieties are credited with EC yield performance. In particular, the development by plant breeders and adoption by farmers of shorter strawed varieties of wheat allowed more yield-inducing nitrogen fertilizer to be applied without the plant lodging, although greater use of chemicals to fight diseases was required.

Achieving higher yields in the EC requires more total inputs per hectare than in the United States, but the additional cost is more than covered by the higher yields and prices obtained by EC farmers for wheat and other crops. The United Nations' Food and Agriculture Organization (FAO) estimates that energy (oil equivalent) use per hectare in Western Europe averaged 715 kg/ha in 1981-83, compared with only 535 kg/ha in 1971-73 (2). The estimates include energy required to produce fertilizers and pesticides, and to operate irrigation and farm machinery. In North America, the respective figures were 279 and 293 kg/ha. Agricultural output per hectare was valued by FAO at $1,258 in Western Europe, and $400 in North America in 1981-83.

Country Patterns Diverge

Varying environmental conditions and economic circumstances within the EC influence considerable differences in yield performance from one country to another, and among regions within countries. Wheat yields tend to be higher in cool and moist areas, and particularly in the most economically advanced countries. Thus, among the five largest major wheat producers, the highest yields are achieved in France, the United Kingdom, and West Germany, where average yields are above 6 mt/ha. These countries, in addition, have not exhibited declining acreage. Yields in the other two major producers, Italy and Spain, are below 4 mt/ha

Table 1--EC-12 common wheat yields and their growth rates

Country	Yields: Marketing year 1965/66	1975/76	1985/86	Average growth rates 1960-70	1970-80
	Metric tons/hectare			Percent	
Belgium-Luxembourg	3.66	3.81	6.20	2.5	3.0
Denmark	4.47	5.09	5.88	1.7	0.9
France	3.27	3.95	6.07	4.2	4.7
Ireland	3.14	4.31	5.37	2.7	3.0
Italy	2.59	3.05	3.61	4.9	1.9
Netherlands	4.37	4.93	6.64	3.5	4.1
United Kingdom	4.06	4.34	6.33	2.2	4.1
West Germany	3.07	4.47	6.12	1.5	3.1
Greece	1.69	2.38	2.35	5.1*	5.1
EC-10	3.00	3.63	5.53	4.3	4.3
Spain	1.11	1.62	2.63	3.4	9.0
Portugal	0.97	1.30	1.44	8.6	5.7
EC-12	2.46	3.23	5.10	3.2	4.8

* 1965-70

(table 1). Together, the five countries account for 90 percent of EC wheat production. Wheat area has been increasing in France and the United Kingdom, stable in West Germany, and declining in Italy and Spain.

The single largest producer, France, accounts for 40 percent of EC wheat production. Yields have risen 86 percent (to 6.1 mt/ha in 1985/86) since 1965, with average annual growth over 4 percent in the 1960's, but close to 5 percent per year in the 1970's and 1980's. This trend has been attributed mainly to application of new technology, especially use of improved seed (1).

The second largest producer, the United Kingdom, accounts for 20 percent of production, with average yields slightly higher than in France. Yields rose only 2.2 percent per year in the 1960's, but spurted to 4 percent in the 1970's, before dropping to 2.3 percent in the 1980's. A study by the National Institute of Agricultural Botany (United Kingdom) attributed almost half of the increase between 1967 and 1983 to improved varieties (3). Changed production practices, such as greater chemical use and earlier planting of winter wheat, also improved yields.

In West Germany, where soil fertility is relatively low and a majority of the land is hilly or mountainous, the environment is not as ideally suited for crop production as in France and the United Kingdom. However, good yields are possible because added chemicals and fertilizers can take advantage of the ample rainfall. Consequently, 15 percent of EC wheat is produced in West Germany. Yield increases in the 1960's averaged only 1.5 percent per year. Yield increases in the 1970's and 1980's were higher, averaging 3.1 and 4.5 percent per year, respectively.

Italy produces significant quantities of common wheat, but yields are relatively low--3.6 mt/ha, or 29 percent below the EC average. Gains in yield were more pronounced in the 1960's, averaging close to 5 percent per year. In the last 20 years, yield increases have averaged less than 2 percent per year. A unique feature of Italian wheat production relative to the other major EC producers is the significance of durum wheat, a crop very well suited to Italy's drier southern and central regions, and necessary both for the pasta industry and for Italy's durum semolina exports to North Africa that have developed since the mid-1970's. Durum acreage has trended upward since the 1960's, while total wheat acreage has been declining, so that durum now accounts for three-fifths of Italian wheat area, compared with about one-third in the 1960's. Yields, generally below 2.5 mt/ha, are lower than for common wheat.

Wheat acreage in Spain has declined by 50 percent since the early 1960's, with barley being substituted. Yields have doubled since 1960. However, average wheat yields--at 2.6 mt/ha--are the lowest of the major producers, and among the lowest for the EC as a whole. Spain's mostly dry climate is a hindrance to higher yields, but may be offset in future years by an expanding irrigation network.

Table 2--Alternative projections for EC-12 wheat to 1995/96

	Area 1,000 hectares	Production 1,000 metric tons	Average yield all wheat	Common wheat yield	Stocks 1,000 metric tons
			metric ton/hectares		
	(Percent change from 1986/87)				
Case 1 (4.8 percent/yr. yield increases)	13,930	95,155	6.8	7.5	100,782
	(-11)	(34)	(50)	(52)	(503)
Case 2 (2.4 percent/yr. yield increases)	13,930	78,473	5.6	6.1	22,239
	(-11)	(10)	(23)	(24)	(33)
Case 3 (low yield countries catch up)	13,930	80,048	5.8	6.2	30,271
	(-11)	(12)	(26)	(26)	(81)
Case 4 (4.8 percent/yr. yield increase--stocks decline)	13,616	76,703	5.6	6.1	13,610
	(-13)	(8)	(23)	(24)	(-18)

Alternative Trends

High internal prices in the EC provide strong incentives to increase crop production and yields. With production of wheat rising much faster than domestic demand, surplus production must either be stored, or exported at subsidized prices, both costly options. Almost 600 million ECU's ($550 million) were spent for storing wheat in the EC in 1985/86. On the other hand, the EC spent almost 2.2 billion ECU's ($2.1 billion) in calendar 1986 on export refunds for cereal exports, of which wheat and wheat flour accounted for approximately 60 percent.

The potential problem facing EC policymakers is highlighted by considering that if wheat area remained at the 1986/87 level and yields increased at the same rate as during the past 5 years (4.8 percent annually), production in 1995/96 would reach 107 million tons, or 50 percent above 1986/87. Consequently, the EC has begun to consider actions aimed at resolving its wheat surplus dilemma. Any one of several different policy options may eventually be adopted, but the rate of change in yields is likely to affect the ultimate success of any policy.

Under the first scenario (table 2), the last 5 years' average growth rate for common wheat yields of 4.8 percent per year is projected to 1995/96 and the following assumptions that affect conditions in 1995/96 are made:

- o area falls just over 1 percent per year as land shifts out of wheat production;
- o the EC continues to subsidize exports and the quantity exported grows at 1 percent a year;
- o soft wheat continues to occupy 85 percent of wheat area and durum wheat occupies the remainder, with durum yields growing at 2 percent per year.

In addition, prices of wheat and competing crops are assumed to remain stable, and annual growth of less than 1 percent is assumed for domestic use. In this first case, production would increase by 34 percent in 1995/96, but slow growth in domestic use and exports produces an almost five-fold expansion of stocks.

The first case seems implausible, because of the costs and political implications of such stock accumulation. It seems more probable that incentives to purchase and use inputs would be diminished by moderation in price supports. However, it is likely that the use of improved varieties and cultivation techniques would continue in situations where these steps do not require extra applications of purchased inputs. The second case takes such considerations into account by assuming that the growth in yields continues, but is halved. The consequences are less severe, but probably

still not manageable from the perspectives of EC budget costs and politics. Production would increase 10 percent, but with only an 11-percent increase in exports and an 8-percent increase in domestic use, stocks would still increase by 33 percent.

A third case considers the prospects of technological diffusion continuing, so that farmers in countries with below-average yields maintain growth equal to that in the past decade, while yields in countries with above-average yields grow only at 2 percent annually. The production increase would be 11 percent, apparently similar to the second case, but all the extra production in each year goes into stocks, which are then 81 percent higher than by 1986/87.

A fourth case assumes EC yields will increase 4.8 percent annually, as in the first case. Area would contract to keep stocks from rising above their current high level. A 3.5-percent per year decline in acreage would be necessary to hold stocks at the 1986/87 level. By 1995/96, wheat area would be 4.3 million hectares, or 27 percent, lower. If area were to decline only 3 percent per year, total area would decline 3.7 million hectares, but stocks would double.

A non-problematical result appears if growth rates slow and area declines. If yields would increase at 2.4 percent, as in the second case, stocks would start declining at an annual acreage reduction rate of around 1.5 percent. This is a significant area decline, though less severe than if the past decade's trends continue, and it is possibly within the range of politically acceptable change. The future growth in yields will make the difference between an intractable and a manageable policy problem. *[Suzanne Dash and Lorna Aldrich (202) 786-1716]*

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Appendix Table 1—Area and production of grains in Western Europe, annual 1983-1986 1/

Country and year	Area								Production			
	Wheat	Rye 2/	Feed grains				Rice, paddy	Total grains	Wheat	Rye 2/	Feed grains	
			Barley	Oats	Corn	Total 3/					Barley	Oats
	1,000 hectares								1,000 tons			
European Community												
Belgium-Luxembourg												
1983	203	7	154	28	5	187	--	397	1,062	28	705	110
1984	194	9	152	27	B	187	--	390	1,330	42	934	122
1985	194	8	135	29	7	171	--	373	1,204	32	746	126
1986	198	10	147	21	8	176	--	384	1,258	55	879	84
Denmark												
1983	243	77	1,359	29	--	1,391	--	1,711	1,548	315	4,423	86
1984	333	122	1,180	31	--	1,214	--	1,669	2,446	608	6,072	150
1985	339	126	1,094	37	--	1,134	--	1,599	1,996	560	5,252	155
1986	366	120	1,052	35	--	1,090	--	1,576	2,105	528	5,102	147
France												
1983	4,811	97	2,140	434	1,654	4,416	7	9,331	24,807	278	8,759	1,374
1984	5,100	96	2,117	433	1,730	4,498	9	9,703	33,241	321	11,699	1,892
1985	4,832	84	2,248	425	1,857	4,751	12	9,679	29,262	283	11,470	1,803
1986	4,911	74	2,064	306	1,858	4,450	15	9,450	26,500	225	9,900	1,009
Germany, Fed. Rep.												
1983	1,655	456	2,035	729	169	2,933	--	5,044	8,998	1,646	8,944	2,489
1984	1,634	450	2,006	669	182	2,857	--	4,941	10,223	1,983	10,284	2,973
1985	1,612	437	1,949	697	181	2,827	--	4,876	9,866	1,877	9,690	3,278
1986	1,648	425	1,947	605	187	2,739	--	4,812	10,406	1,818	9,377	2,687
Greece												
1983	1,002	4	312	48	171	531	14	1,551	2,043	9	572	54
1984	924	7	334	44	205	583	16	1,530	2,646	15	831	72
1985	848	9	326	42	207	575	16	1,448	1,814	15	619	60
1986	879	10	320	40	204	564	16	1,469	2,200	21	750	65
Ireland												
1983	59	--	304	22	--	326	--	385	377	--	1,403	108
1984	78	--	294	24	--	318	--	396	585	--	1,666	131
1985	80	--	287	23	--	310	--	390	430	--	1,370	96
1986	68	--	283	17	--	300	--	368	370	--	1,350	70
Italy												
1983	3,328	11	383	209	986	1,603	184	5,126	8,514	28	1,174	307
1984	3,274	9	434	191	961	1,608	180	5,071	10,057	24	1,618	433
1985	3,032	9	468	184	917	1,584	187	4,812	8,516	23	1,630	387
1986	3,133	8	466	184	866	1,528	193	4,862	9,070	22	1,700	397
Netherlands												
1983	148	7	37	14	1	52	--	207	1,043	26	177	61
1984	143	6	34	12	1	47	--	196	1,131	25	192	58
1985	128	5	39	11	--	50	--	183	851	19	197	58
1986	118	4	45	7	--	49	--	171	940	19	262	40
United Kingdom												
1983	1,695	7	2,143	108	--	2,259	--	3,961	10,802	24	9,980	465
1984	1,939	6	1,978	106	--	2,092	--	4,037	14,957	28	11,055	516
1985	1,902	6	1,965	133	--	2,108	--	4,016	12,045	25	9,740	615
1986	1,999	B	1,922	95	--	2,025	--	4,032	13,900	30	10,000	450
Total EC-10												
1983	13,144	666	8,867	1,621	2,986	13,698	205	27,713	59,194	2,354	36,137	5,054
1984	13,619	705	8,529	1,537	3,087	13,404	205	27,933	76,616	3,046	44,351	6,347
1985	12,967	684	8,511	1,581	3,169	13,510	215	27,376	65,984	2,834	40,714	6,578
1986	13,320	659	8,246	1,310	3,123	12,921	224	27,124	66,749	2,718	39,320	4,949

See footnotes at end of table.

Appendix Table 1--Area and production of grains in Western Europe, annual 1983-1986 1/--Continued

Country and year	Production--Cont.				Yield							
	Corn	Total 3/	Rice, paddy	Total grains	Wheat	Rye 2/	Feed grains: Barley	Oats	Corn	Total 3/	Rice, paddy	Total grains
	1,000 tons				Metric tons per hectares							
European Community												
Belgium-Luxembourg												
1983	39	854	--	1,944	5.23	4.00	4.58	3.93	7.80	4.57	--	4.90
1984	53	1,109	--	2,481	6.86	4.67	6.14	4.52	6.63	5.93	--	6.36
1985	51	923	--	2,159	6.21	4.00	5.53	4.34	7.29	5.40	--	5.79
1986	53	1,016	--	2,329	6.35	5.50	5.98	4.00	6.63	5.77	--	6.07
Denmark												
1983	--	4,516	--	6,379	6.37	4.09	3.25	2.97	--	3.25	--	3.73
1984	--	6,229	--	9,283	7.35	4.98	5.15	4.84	--	5.13	--	5.56
1985	--	5,415	--	7,971	5.89	4.44	4.80	4.19	--	4.78	--	4.98
1986	--	5,257	--	7,890	5.75	4.40	4.85	4.20	--	4.82	--	5.01
France												
1983	10,400	21,200	35	46,320	5.16	2.87	4.09	3.17	6.29	4.80	5.00	4.96
1984	10,384	24,871	35	58,468	6.52	3.34	5.53	4.37	6.00	5.53	3.89	6.03
1985	12,367	26,533	63	56,141	6.06	3.37	5.10	4.24	6.66	5.58	5.25	5.80
1986	11,250	23,036	68	49,829	5.40	3.04	4.80	3.30	6.05	5.18	4.53	5.27
Germany, Fed. Rep.												
1983	934	12,367	--	23,011	5.44	3.61	4.40	3.41	5.53	4.22	--	4.56
1984	1,026	14,283	--	26,489	6.26	4.41	5.13	4.44	5.64	5.00	--	5.36
1985	1,204	14,172	--	25,915	6.12	4.30	4.97	4.70	6.65	5.01	--	5.31
1986	1,302	13,366	--	25,590	6.31	4.28	4.82	4.44	6.96	4.88	--	5.32
Greece												
1983	1,550	2,176	83	4,311	2.04	2.25	1.83	1.13	9.06	4.10	5.93	2.78
1984	1,990	2,893	90	5,644	2.86	2.14	2.49	1.64	9.71	4.96	5.63	3.69
1985	1,900	2,579	116	4,524	2.14	1.67	1.90	1.43	9.18	4.49	7.25	3.12
1986	2,000	2,815	110	5,146	2.50	2.10	2.34	1.63	9.80	4.99	6.88	3.50
Ireland												
1983	--	1,511	--	1,888	6.39	--	4.62	4.91	--	4.63	--	4.90
1984	--	1,797	--	2,382	7.50	--	5.67	5.46	--	5.65	--	6.02
1985	--	1,466	--	1,896	5.38	--	4.77	4.17	--	4.73	--	4.86
1986	--	1,420	--	1,790	5.44	--	4.77	4.12	--	4.73	--	4.86
Italy												
1983	6,669	8,250	1,029	7,821	2.56	2.55	3.07	1.47	6.76	5.15	5.59	3.48
1984	6,672	8,828	1,012	19,921	3.07	2.67	3.73	2.27	6.94	5.49	5.62	3.93
1985	6,309	8,384	1,193	18,116	2.81	2.56	3.48	2.10	6.88	5.29	6.38	3.76
1986	6,500	8,507	1,089	18,688	2.89	2.75	3.65	2.16	7.51	5.57	5.64	3.84
Netherlands												
1983	1	239	--	1,308	7.05	3.71	4.78	4.36	1.00	4.60	--	6.32
1984	1	251	--	1,407	7.91	4.17	5.65	4.83	1.00	5.34	--	7.18
1985	--	255	--	1,125	6.65	3.80	5.05	5.27	--	5.10	--	6.15
1986	--	302	--	1,261	7.97	4.75	5.82	5.71	--	6.16	--	7.37
United Kingdom												
1983	--	10,480	--	21,306	6.37	3.43	4.66	4.31	--	4.64	--	5.38
1984	--	11,606	--	26,591	7.71	4.67	5.59	4.87	--	5.55	--	6.59
1985	--	10,395	--	22,465	6.33	4.17	4.96	4.62	--	4.93	--	5.59
1986	--	10,505	--	24,435	6.95	3.75	5.20	4.74	--	5.19	--	6.06
Total EC-10												
1983	19,593	61,593	1,147	124,288	4.50	3.53	4.08	3.12	6.56	4.50	5.60	4.48
1984	20,126	71,867	1,137	152,666	5.63	4.32	5.20	4.13	6.52	5.36	5.55	5.47
1985	21,831	70,122	1,372	140,312	5.09	4.14	4.78	4.16	6.89	5.19	6.38	5.13
1986	21,105	66,224	1,267	136,958	5.01	4.12	4.77	3.78	6.76	5.13	5.66	5.05

Appendix Table 1--Area and production of grains in Western Europe, annual 1983-1986 1/

Country and year	Area											
	Wheat	Rye 2/	Feed grains				Rice, paddy	Total grains	Wheat	Rye 2/	Feed grains	
			Barley	Oats	Corn	Total 3/					Barley	Oats
	-----------------------------1,000 hectares---------------------								------------1,000 tons------			
Portugal												
1983	331	133	88	191	311	590	27	1,081	327	93	54	99
1984	280	131	97	185	319	601	30	1,042	470	115	135	195
1985	285	122	90	190	241	517	30	954	395	97	94	119
1986	292	118	95	194	292	570	30	1,010	463	93	130	137
Spain												
1983	2,603	217	3,735	454	354	4,568	41	7,429	4,268	253	6,662	464
1984	2,267	233	3,944	473	436	4,880	73	7,453	5,800	325	10,000	780
1985	2,024	222	4,155	465	525	5,170	74	7,490	5,326	295	9,980	719
1986	2,096	223	4,258	414	519	5,216	78	7,613	4,292	220	7,251	422
Total EC-12												
1983	16,078	1,016	12,690	2,266	3,651	18,856	273	36,223	63,789	2,700	42,853	5,617
1984	16,166	1,069	12,570	2,195	3,842	18,885	308	36,428	82,886	3,486	54,486	7,322
1985	15,276	1,028	12,756	2,236	3,935	19,197	319	35,820	71,705	3,226	50,788	7,416
1986	15,708	1,000	12,599	1,918	3,934	18,707	332	35,747	71,504	3,031	46,701	5,508
Other Western Europe												
Austria												
1983	313	93	340	83	208	663	--	1,069	1,417	348	1,449	292
1984	315	93	328	77	207	642	--	1,050	1,501	380	1,517	292
1985	320	88	334	75	208	650	--	1,058	1,563	339	1,521	284
1986	324	91	332	73	207	645	--	1,060	1,416	285	1,335	272
Finland												
1983	160	47	550	449	--	1,012	--	1,219	550	116	1,764	1,407
1984	154	45	566	441	--	1,022	--	1,221	478	92	1,715	1,321
1985	157	31	646	411	--	1,071	--	1,259	472	72	1,854	1,218
1986	166	27	598	407	--	1,017	--	1,210	529	71	1,714	1,174
Norway												
1983	23	1	181	119	--	301	--	325	97	2	569	402
1984	33	1	171	124	--	296	--	330	170	3	658	581
1985	39	1	171	129	--	301	--	341	170	3	604	495
1986	42	1	172	131	--	304	--	347	180	3	550	450
Sweden												
1983	336	62	618	404	--	1,082	--	1,480	1,722	237	2,026	1,268
1984	315	62	644	428	--	1,135	--	1,512	1,776	247	2,733	1,904
1985	277	46	667	445	--	1,164	--	1,487	1,338	158	2,309	1,668
1986	309	40	627	455	--	1,126	--	1,475	1,714	159	2,292	1,478
Switzerland												
1983	84	4	51	11	19	88	--	176	410	18	240	52
1984	92	5	52	10	18	87	--	184	596	29	312	53
1985	93	4	51	10	19	87	--	184	521	20	270	52
1986	95	4	54	8	23	92	--	191	440	19	230	38
Total Other Western Europe												
1983	916	207	1,740	1,066	227	3,146	--	4,269	4,196	721	6,048	3,421
1984	909	206	1,761	1,080	225	3,182	--	4,297	4,521	751	6,935	4,151
1985	886	170	1,869	1,070	227	3,273	--	4,329	4,064	592	6,558	3,717
1986	936	163	1,783	1,074	230	3,184	--	4,283	4,279	537	6,121	3,412
Total Western Europe												
1983	16,994	1,223	14,430	3,332	3,878	22,002	273	40,492	67,985	3,421	48,901	9,038
1984	17,075	1,275	14,331	3,275	4,067	22,067	308	40,725	87,407	4,237	61,421	11,473
1985	16,162	1,198	14,625	3,306	4,162	22,470	319	40,149	75,769	3,818	57,346	11,133
1986	16,644	1,163	14,382	2,992	4,164	21,891	332	40,030	75,783	3,568	52,822	8,920

--- = None, or negligible
1/ Data for 1986 are preliminary.
2/ Rye is considered a bread grain, but for the region about half the crop is used for feed.
3/ Includes other grains: millet, sorghum, buckwheat, and mixed grains.

Appendix Table 1—Area and production of grains in Western Europe, annual 1983-1986 1/—Continued

Country and year	Production—Cont.				Yield							
	Feed grains		Rice, paddy	Total grains	Wheat	Rye 2/	Feed grains				Rice, paddy	Total grains
	Corn	Total 3/					Barley	Oats	Corn	Total 3/		
	------------1,000 tons----------				--------------------------------Metric tons per hectares---							
Portugal												
1983	424	577	109	1,106	0.99	0.70	0.61	0.52	1.36	0.98	4.04	1.02
1984	483	813	135	1,533	1.68	0.88	1.39	1.05	1.51	1.35	4.50	1.47
1985	531	715	148	1,355	1.39	0.80	1.04	0.63	2.20	1.38	4.93	1.42
1986	567	788	151	1,495	1.59	0.79	1.37	0.71	1.94	1.38	5.03	1.48
Spain												
1983	1,803	9,012	224	13,757	1.64	1.17	1.78	1.02	5.09	1.97	5.46	1.85
1984	2,505	13,395	437	19,957	2.56	1.39	2.54	1.65	5.75	2.74	5.99	2.68
1985	3,414	14,214	459	20,294	2.63	1.33	2.40	1.55	6.50	2.75	6.20	2.71
1986	3,353	11,143	491	16,146	2.05	0.99	1.70	1.02	6.46	2.14	6.29	2.12
Total EC-12												
1983	21,820	71,182	1,480	139,151	3.97	2.66	3.38	2.48	5.98	3.78	5.42	3.84
1984	23,114	86,075	1,709	174,156	5.13	3.26	4.33	3.34	6.02	4.56	5.55	4.78
1985	25,776	85,051	1,979	161,961	4.69	3.14	3.98	3.32	6.55	4.43	6.20	4.52
1986	25,025	78,155	1,909	154,599	4.55	3.03	3.71	2.87	6.36	4.18	5.75	4.32
Other Western Europe												
Austria												
1983	1,454	3,311	--	5,076	4.53	3.74	4.26	3.52	6.99	4.99	--	4.75
1984	1,542	3,471	--	5,352	4.77	4.09	4.63	3.79	7.45	5.41	--	5.10
1985	1,727	3,649	--	5,551	4.88	3.85	4.55	3.79	8.30	5.61	--	5.25
1986	1,521	3,245	--	4,946	4.37	3.13	4.02	3.73	7.35	5.03	--	4.67
Finland												
1983	--	3,212	--	3,878	3.44	2.47	3.21	3.13	--	3.17	--	3.18
1984	--	3,076	--	3,646	3.10	2.04	3.03	3.00	--	3.01	--	2.99
1985	--	3,099	--	3,643	3.01	2.32	2.87	2.96	--	2.89	--	2.89
1986	--	2,920	--	3,520	3.19	2.63	2.87	2.88	--	2.87	--	2.91
Norway												
1983	--	973	--	1,072	4.22	2.00	3.14	3.38	--	3.23	--	3.30
1984	--	1,241	--	1,414	5.15	3.00	3.85	4.69	--	4.19	--	4.28
1985	--	1,101	--	1,274	4.36	3.00	3.53	3.84	--	3.66	--	3.74
1986	--	1,002	--	1,185	4.29	3.00	3.20	3.44	--	3.30	--	3.41
Sweden												
1983	--	3,449	--	5,408	5.13	3.82	3.28	3.14	--	3.19	--	3.65
1984	--	4,875	--	6,898	5.64	3.98	4.24	4.45	--	4.30	--	4.56
1985	--	4,125	--	5,621	4.83	3.43	3.46	3.75	--	3.54	--	3.78
1986	--	3,890	--	5,763	5.55	3.98	3.66	3.25	--	3.45	--	3.91
Switzerland												
1983	139	459	--	887	4.88	4.50	4.71	4.73	7.32	5.22	--	5.04
1984	126	519	--	1,144	6.48	5.80	6.00	5.30	7.00	5.97	--	6.22
1985	157	507	--	1,048	5.60	5.00	5.29	5.20	8.26	5.83	--	5.70
1986	149	445	--	904	4.63	4.75	4.26	4.75	6.48	4.84	--	4.73
Total Other Western Europe												
1983	1,593	11,404	--	16,321	4.58	3.48	3.48	3.21	7.02	3.62	--	3.82
1984	1,668	13,182	--	18,454	4.97	3.65	3.94	3.84	7.41	4.14	--	4.29
1985	1,884	12,481	--	17,137	4.59	3.48	3.51	3.47	8.30	3.81	--	3.96
1986	1,670	11,502	--	16,318	4.57	3.29	3.43	3.18	7.26	3.61	--	3.81
Total Western Europe												
1983	23,413	82,586	1,480	155,472	4.00	2.80	3.39	2.71	6.04	3.75	5.42	3.84
1984	24,782	99,257	1,709	192,610	5.12	3.32	4.29	3.50	6.09	4.50	5.55	4.73
1985	27,660	97,532	1,979	179,098	4.69	3.19	3.92	3.37	6.65	4.34	6.20	4.46
1986	26,695	89,657	1,909	170,917	4.55	3.07	3.67	2.98	6.41	4.10	5.75	4.27

Appendix Table 2--Area and production of selected nongrain crops in Western Europe, average 1970-74, annual 1983-86 1/

Country and year	Area				Production							
	Potatoes	Sugar beets	Total Oilseeds	Tobacco	Potatoes	Sugar beets	Total Oilseeds	Tobacco	Olive oil	Apples 2/	Pears 2/	Citrus
	--------1,000 hectares-------				---------1,000 tons---------							
European Community												
Belgium-Luxembourg												
1970-74	48	99	11	1	1,458	4,533	9	2	--	245	61	--
1983	36	115	14	1	1,250	5,773	17	2	--	203	102	--
1984	NA	122	11	1	1,376	6,339	16	2	--	231	72	--
1985	40	125	15	1	1,483	6,405	18	2	--	221	78	--
1986	NA	118	13	1	1,400	6,090	14	2	--	243	79	--
Denmark												
1970-74	33	56	25	--	828	2,254	48	--	--	75	8	--
1983	NA	74	152	--	860	3,614	335	--	--	47	4	--
1984	30	74	162	--	1,121	3,614	309	--	--	54	4	--
1985	30	73	191	--	1,073	3,515	474	--	--	45	4	--
1986	NA	72	217	--	1,100	3,400	544	--	--	56	4	--
France												
1970-74	346	451	369	20	8,146	19,313	667	48	2	1,778	489	12
1983	133	466	805	15	3,480	22,643	1,844	45	--	1,575	414	30
1984	135	506	930	14	4,535	26,803	1,781	36	--	2,005	449	25
1985	151	464	975	14	5,080	23,764	2,322	36	--	1,793	417	25
1986	NA	430	1,136	14	5,000	21,977	2,902	36	--	1,862	334	25
Germany, Fed. Rep.												
1970-74	520	334	94	4	14,938	15,214	208	10	--	1,659	411	--
1983	224	403	189	3	5,669	16,255	535	7	--	1,313	380	--
1984	219	422	232	3	7,272	20,024	599	8	--	1,799	449	--
1985	220	415	254	3	7,878	20,773	662	8	--	1,410	335	--
1986	NA	399	268	3	7,828	19,500	807	7	--	1,885	430	--
Greece												
1970-74	52	25	146	89	767	1,341	234	87	212	210	107	620
1983	NA	39	117	93	1,135	2,500	148	112	344	312	146	941
1984	60	28	177	93	1,053	1,700	210	143	293	321	117	986
1985	59	43	234	99	1,222	2,580	310	148	290	256	111	799
1986	NA	44	252	100	1,100	2,640	359	150	260	315	111	1,038
Ireland												
1970-74	48	29	0	--	1,282	1,110	--	--	--	8	--	--
1983	32	36	3	--	700	1,630	5	--	--	10	--	--
1984	NA	34	4	--	800	1,694	9	--	--	9	--	--
1985	NA	34	4	--	779	1,310	9	--	--	8	--	--
1986	35	35	4	--	800	1,600	9	--	--	8	--	--
Italy												
1970-74	223	248	17	45	3,145	9,285	34	85	471	1,912	1,645	2,583
1983	140	215	59	71	2,542	9,761	103	156	824	2,056	1,202	3,632
1984	138	210	103	76	2,467	11,196	197	161	390	2,218	1,064	3,072
1985	135	225	126	81	2,400	9,160	264	166	492	2,012	802	3,531
1986	135	255	202	80	2,400	13,000	480	158	350	1,990	930	3,638
Netherlands												
1970-74	155	109	17	--	5,769	5,045	37	--	--	441	112	--
1983	161	123	17	--	5,155	5,450	42	--	--	364	121	--
1984	162	129	17	--	6,711	6,955	41	--	--	388	115	--
1985	172	131	14	--	7,550	6,133	35	--	--	270	96	--
1986	NA	132	16	--	7,300	6,700	24	--	--	374	93	--
United Kingdom												
1970-74	241	191	7	--	7,000	6,502	15	--	--	423	58	--
1983	195	196	174	--	5,858	8,000	580	--	--	293	54	--
1984	198	196	222	--	7,400	8,500	565	--	--	316	48	--
1985	191	200	267	--	7,067	8,000	925	--	--	273	51	--
1986	NA	200	296	--	7,200	8,000	895	--	--	306	48	--
Total EC-10												
1970-74	1,666	1,542	686	159	43,333	64,597	1,252	232	685	6,751	2,891	3,215
1983	NA	1,667	1,530	183	26,649	75,626	3,609	322	1,168	6,173	2,423	4,603
1984	NA	1,721	1,858	187	32,735	86,825	3,727	350	683	7,341	2,318	4,083
1985	NA	1,710	2,080	198	34,532	81,640	5,019	360	782	6,288	1,894	4,355
1986	NA	1,685	2,404	198	34,128	82,907	6,034	353	610	7,039	2,029	4,701

Appendix Table 2--Area and production of selected nongrain crops in Western Europe, average 1970-74, annual 1983-86 1/--Continued

Country and year	Area: Potatoes	Area: Sugar beets	Area: Total Oilseeds	Area: Tobacco	Production: Potatoe	Production: Sugar beets	Production: Total Oilseeds	Production: Tobacco	Production: Olive oil	Production: Apples 2/	Production: Pears 2/	Production: Citrus
	1,000 hectares				1,000 tons							
Portugal												
1970-74	111	—	3	—	1,123	—	1	1	52	132	55	163
1983	110	1	20	1	1,150	70	13	3	9	108	56	122
1984	NA	1	25	2	1,022	70	28	4	47	87	71	135
1985	NA	1	38	2	1,132	70	28	4	30	88	57	130
1986	NA	1	40	2	1,132	70	31	4	30	88	57	130
Spain												
1970-74	401	195	263	17	5,250	5,270	214	28	399	766	414	2,946
1983	340	249	943	21	5,163	9,619	875	43	288	1,012	551	3,876
1984	343	186	985	21	5,950	8,463	846	43	718	970	499	2,645
1985	326	178	1,081	19	5,772	7,110	1,228	42	387	988	600	3,487
1986	326	195	1,204	19	5,772	7,945	1,069	41	387	871	356	3,770
Total EC-12												
1970-74	2,178	1,737	952	176	49,706	69,867	1,467	261	1,136	7,649	3,360	6,324
1983	NA	1,917	2,493	205	32,962	85,315	4,497	368	1,465	7,293	3,030	8,601
1984	NA	1,908	2,868	210	39,707	95,358	4,601	397	1,448	8,398	2,888	6,863
1985	NA	1,889	3,199	219	41,436	88,820	6,275	406	1,199	7,364	2,551	7,972
1986	NA	1,881	3,648	219	41,032	90,922	7,134	398	1,027	7,998	2,442	8,601
Other Western Europe												
Austria												
1970-74	96	47	4	—	2,375	2,059	8	1	—	170	47	—
1983	47	42	5	—	1,015	2,024	12	1	—	263	49	—
1984	NA	51	5	—	1,138	2,564	12	1	—	276	54	—
1985	40	43	6	—	1,000	2,407	17	1	—	241	44	—
1986	NA	30	11	—	1,100	1,600	27	1	—	270	49	—
Finland												
1970-74	51	19	7	—	770	563	10	—	—	—	—	—
1983	45	32	64	—	804	1,060	96	—	—	20	1	—
1984	41	32	61	—	745	915	101	—	—	22	1	—
1985	45	30	58	—	600	704	83	—	—	20	1	—
1986	NA	30	60	—	700	780	90	—	—	21	1	—
Norway												
1970-74	31	—	3	—	744	—	5	—	—	49	10	—
1983	21	—	8	—	433	—	13	—	—	51	8	—
1984	20	—	9	—	593	—	19	—	—	47	12	—
1985	NA	—	11	—	500	—	19	—	—	64	9	—
1986	NA	—	13	—	525	—	20	—	—	44	7	—
Sweden												
1970-74	49	42	124	—	1,214	1,925	233	—	—	30	5	—
1983	40	53	166	—	811	1,922	320	—	—	42	5	—
1984	40	52	161	—	756	2,508	318	—	—	37	6	—
1985	NA	51	164	—	775	2,159	327	—	—	38	4	—
1986	NA	51	168	—	780	2,290	320	—	—	39	3	—
Switzerland												
1970-74	27	10	9	1	1,075	463	20	2	—	109	22	—
1983	24	15	13	1	1,000	832	37	2	—	115	22	—
1984	23	15	14	1	1,100	860	32	2	—	159	23	—
1985	23	15	14	1	975	790	43	2	—	127	18	—
1986	24	15	15	1	1,000	840	39	2	—	153	21	—
Total Other Western Europe												
1970-74	254	118	147	1	6,178	5,010	276	3	—	358	84	—
1983	177	142	256	1	4,063	5,838	478	3	—	491	85	—
1984	NA	150	250	1	4,332	6,847	482	3	—	541	96	—
1985	NA	139	253	1	3,850	6,060	489	3	—	490	76	—
1986	NA	126	267	1	4,105	5,510	496	3	—	527	81	—
Total Western Europe												
1970-74	2,432	1,855	1,099	177	55,884	74,877	1,743	264	1,136	8,007	3,444	6,324
1983	NA	2,059	2,749	206	37,025	91,153	4,975	371	1,465	7,784	3,115	8,601
1984	NA	2,058	3,118	211	44,039	102,205	5,083	400	1,448	8,939	2,984	6,863
1985	NA	2,028	3,452	220	45,286	94,880	6,764	409	1,199	7,854	2,627	7,972
1986	NA	2,007	3,915	220	45,137	96,432	7,630	401	1,027	8,525	2,523	8,601

— = None or negligible.
NA = Not Available.
1/ Data for 1986 are preliminary.
2/ Dessert and cooking only.

Source: USDA/Foreign Agricultural Service, April 15, 1987.
FAO Production Yearbook-1985, France & Portugal-Citrus, Spain-Olive Oil.

Appendix Table 3--Production of principal livestock products in Western Europe, average 1970-74, annual 1983-86 1/

Country and year	Principal red meat				Poultry meat 3/	Cow's milk 4/	Eggs
	Beef and Veal	Sheep and goat meat	Pork 2/	Total			
	1,000 tons						
European Community							
Belgium-Luxembourg							
1970-74	281	3	534	818	111	4,011	223
1983	291	7	707	1,005	144	4,161	186
1984	322	8	740	1,070	144	4,120	181
1985	332	8	726	1,066	159	4,080	177
1986	322	8	745	1,075	165	4,160	173
Denmark							
1970-74	195	1	753	949	86	4,706	76
1983	241	1	1,048	1,290	112	5,427	82
1984	247	1	1,040	1,288	111	5,234	81
1985	235	1	1,083	1,319	115	5,099	81
1986	224	1	1,140	1,365	115	5,085	79
France							
1970-74	1,577	129	1,341	3,047	727	24,092	668
1983	1,764	179	1,624	3,567	1,284	27,905	883
1984	1,936	175	1,625	3,736	1,247	27,595	878
1985	1,845	176	1,607	3,628	1,272	26,830	877
1986	1,805	166	1,622	3,593	1,303	27,100	871
Germany, Fed. Rep.							
1970-74	1,291	11	2,403	3,705	266	21,458	882
1983	1,494	29	2,725	4,248	344	26,913	767
1984	1,614	29	2,734	4,377	351	26,151	769
1985	1,576	27	2,753	4,356	357	25,674	774
1986	1,625	27	2,820	4,472	364	26,200	765
Greece							
1970-74	93	96	76	265	79	611	121
1983	86	120	148	354	153	677	147
1984	85	122	146	353	153	664	145
1985	82	122	148	352	155	646	148
1986	79	110	150	339	156	642	147
Ireland							
1970-74	241	44	146	431	37	3,899	41
1983	352	40	163	555	55	5,627	38
1984	401	42	144	587	53	5,924	38
1985	449	48	136	633	54	6,047	38
1986	460	50	133	643	57	5,687	38
Italy							
1970-74	1,072	48	626	1,746	775	8,691	626
1983	1,149	67	1,046	2,262	977	10,080	642
1984	1,182	71	1,098	2,351	950	10,176	633
1985	1,205	70	1,067	2,342	929	10,227	641
1986	1,206	71	1,085	2,362	935	10,050	641
Netherlands							
1970-74	311	11	753	1,075	314	8,904	262
1983	433	11	1,201	1,645	399	13,231	630
1984	500	9	1,257	1,766	410	12,782	652
1985	494	11	1,340	1,845	425	12,550	650
1986	475	14	1,430	1,919	440	12,800	644
United Kingdom							
1970-74	952	232	1,001	2,185	631	13,212	851
1983	1,046	286	1,037	2,369	825	17,300	776
1984	1,135	286	955	2,376	856	16,550	765
1985	1,126	291	995	2,412	880	16,340	772
1986	1,036	293	1,015	2,344	910	16,350	772
Total EC-10							
1970-74	6,013	575	7,633	14,221	3,026	89,584	3,750
1983	6,856	740	9,699	17,295	4,293	111,321	4,150
1984	7,422	743	9,739	17,904	4,275	109,196	4,141
1985	7,344	754	9,855	17,953	4,346	107,493	4,157
1986	7,232	740	10,140	18,112	4,445	108,074	4,130

Appendix Table 3--Production of principal livestock products in Western Europe, average 1970-74, annual 1983-86 1/--Continued

Country and year	Principal red meat: Beef and Veal	Principal red meat: Sheep and goat meat	Principal red meat: Pork 2/	Principal red meat: Total	Poultry meat 3/	Cow's milk 4/	Eggs
	---1,000 tons---						
Portugal							
1970-74	80	25	106	211	74	458	40
1983	102	26	176	304	162	794	67
1984	93	28	180	301	155	720	72
1985	95	29	175	299	156	820	85
1986	97	30	180	307	162	842	88
Spain							
1970-74	344	143	545	1,032	556	3,914	490
1983	422	141	1,120	1,683	813	6,070	717
1984	385	137	1,181	1,703	789	6,240	594
1985	401	131	1,157	1,689	810	6,300	598
1986	410	130	1,175	1,715	810	6,500	600
Total EC-12							
1970-74	6,437	743	8,284	15,464	3,656	93,956	4,280
1983	7,380	907	10,995	19,282	5,268	118,185	4,934
1984	7,900	908	11,100	19,908	5,219	116,156	4,807
1985	7,840	914	11,187	19,941	5,312	114,613	4,839
1986	7,739	900	11,495	20,134	5,417	115,416	4,817
Other Western Europe							
Austria							
1970-74	167	1	259	427	46	3,290	88
1983	197	3	377	577	66	3,634	101
1984	209	3	379	591	74	3,741	105
1985	223	3	401	627	71	3,760	106
1986	219	3	395	617	72	3,764	108
Finland							
1970-74	107	3	131	241	7	3,175	73
1983	117	1	176	294	18	3,236	84
1984	124	1	169	294	20	3,224	89
1985	125	1	171	297	20	3,083	88
1986	124	1	172	297	21	3,044	84
Norway							
1970-74	58	16	73	147	8	1,732	37
1983	81	24	80	185	11	1,992	45
1984	82	24	80	186	11	2,001	45
1985	83	24	84	191	11	1,973	47
1986	85	24	80	189	11	1,944	47
Sweden							
1970-74	145	3	258	406	30	3,030	100
1983	160	5	316	481	47	3,715	117
1984	154	5	323	482	44	3,795	117
1985	157	5	332	494	45	3,695	115
1986	151	5	313	469	45	3,530	115
Switzerland							
1970-74	133	3	209	345	18	3,234	41
1983	153	4	291	448	25	3,731	45
1984	166	4	276	446	26	3,858	43
1985	171	4	285	460	28	3,845	45
1986	169	4	295	468	28	3,780	44
Total Other Western Europe							
1970-74	610	26	930	1,566	109	14,461	339
1983	708	37	1,240	1,985	167	16,308	393
1984	735	37	1,227	1,999	175	16,619	399
1985	759	37	1,273	2,069	175	16,356	400
1986	748	37	1,255	2,040	177	16,062	398
Total Western Europe							
1970-74	7,047	769	9,214	17,030	3,765	108,417	4,619
1983	8,088	944	12,235	21,267	5,435	134,493	5,326
1984	8,635	945	12,327	21,907	5,394	132,775	5,206
1985	8,599	951	12,460	22,010	5,487	130,969	5,240
1986	8,487	937	12,750	22,174	5,594	131,478	5,215

1/ Data for 1986 are preliminary.
2/ Excludes commercial lard.
3/ On ready-to-cook basis.
4/ As reported; it does not always include amounts fed young animals.

Appendix table 4--Agricultural imports by country, European Community and Other Western Europe, 1983-85

Commodity and year		SITC Numbers		European Community						
		Major headings	Sub-headings	Belgium Luxembourg	France	West Germany	Italy	Nether-lands	Denmark	Ireland
						Million dollars				
Live animals	1983	0		248.6	419.5	220.6	1,210.7	83.3	2.0	120.5
	1984			229.1	330.5	209.4	1,015.4	60.2	2.3	119.8
	1985			219.3	325.0	240.3	1,186.1	96.0	3.9	136.5
Meat and meat preparations	1983	1		377.7	1,998.5	2,055.7	2,278.5	357.6	21.8	64.8
	1984			334.1	1,742.4	1,922.9	1,897.2	327.3	30.9	64.8
	1985			348.9	1,870.1	2,003.7	2,253.5	334.8	50.4	62.4
Dairy products and eggs	1983	2		753.8	436.5	1,649.9	1,525.0	1,000.2	50.3	46.2
	1984			701.8	376.9	1,462.7	1,413.0	878.0	68.1	32.1
	1985			691.6	408.7	1,514.4	1,735.2	853.2	61.1	34.8
Cereals and cereal preparations	1983	4		1,135.4	786.4	1,219.2	1,273.8	1,036.7	157.2	199.5
	1984			1,252.6	754.8	1,205.6	1,417.0	993.7	128.5	188.1
	1985			1,016.8	709.6	1,480.1	1,388.8	1,038.7	131.3	184.1
Wheat and flour	1983		41	218.4	135.6	253.7	550.6	236.2	26.0	69.1
	1984		46	265.0	106.7	301.5	747.5	247.4	20.4	70.0
	1985			236.2	77.1	500.4	793.7	276.3	37.3	75.0
Rice	1983		42	75.2	169.8	90.6	49.0	68.5	8.0	2.3
	1984			84.8	162.4	92.4	54.4	66.2	8.9	2.5
	1985			81.1	146.2	91.8	93.9	63.6	9.2	3.0
Feed grains	1983		043-	684.3	197.9	542.4	569.4	579.9	74.3	44.6
	1984		45	723.5	174.8	485.1	513.0	522.1	48.2	34.5
	1985			514.3	131.3	556.1	363.0	533.5	30.3	19.5
Fruit and vegetables	1983	5		877.3	2,387.6	4,771.1	689.0	1,543.1	235.8	183.7
	1984			869.0	2,380.7	4,797.4	685.9	1,531.0	249.4	188.2
	1985			906.4	2,451.3	4,688.2	952.4	1,664.8	245.1	192.9
Sugar, sugar preparations, and honey	1983	6		80.7	231.1	349.9	284.7	178.6	77.5	66.8
	1984			194.0	232.7	308.8	267.6	194.0	73.3	63.0
	1985			108.5	238.5	340.6	242.8	185.0	59.9	68.6
Coffee, tea, cocoa, spices etc.	1983	7		541.5	1,446.2	2,334.8	837.7	1,067.7	227.8	102.2
	1984			611.6	1,555.0	2,629.5	894.4	1,288.6	247.1	122.2
	1985			702.0	1,598.5	2,815.5	1,143.3	1,322.6	252.1	135.7
Animal feed	1983	8		627.1	1,059.8	1,626.7	711.2	1,568.3	514.8	189.7
	1984			600.7	939.6	1,425.1	671.2	1,259.1	436.8	153.0
	1985			533.7	802.4	1,146.4	649.4	1,189.8	369.9	157.7
Oilseed cake and meal	1983		813	267.0	881.7	986.9	353.7	699.1	447.8	101.6
	1984			247.9	789.6	860.9	315.5	533.1	366.5	78.9
	1985			209.4	648.6	689.7	266.3	518.7	307.4	55.9
Meatmeal and fishmeal	1983		814	32.1	28.4	142.7	34.5	43.9	3.8	3.4
	1984			48.9	27.6	120.7	28.0	49.7	7.2	2.8
	1985			33.4	26.6	112.4	38.8	55.4	5.7	4.9
Miscellaneous food preparations	1983	9		158.7	200.0	242.2	70.7	145.8	30.3	47.0
	1984			165.0	222.7	254.4	81.6	180.5	33.4	48.6
	1985			174.4	235.2	273.0	102.3	206.8	38.2	53.0
Lard	1983		913	10.7	3.5	3.4	0.5	27.9	1.9	0.6
	1984			13.1	7.9	4.1	6.6	31.4	3.0	0.5
	1985			16.8	6.2	3.4	5.6	26.3	2.3	0.5
Margarine and shortening	1983		914	13.9	43.0	13.4	7.9	6.0	0.1	2.3
	1984			16.9	58.1	22.9	10.1	18.3	0.1	3.0
	1985			15.4	59.1	28.1	13.0	34.1	0.5	4.7

Appendix table 4--Agricultural imports by country, European Community and Other Western Europe, 1983-85--Continued

United Kingdom	Greece	Total EC-10	Portugal	Spain	Total EC-12	Other Western Europe: Austria	Finland	Norway	Sweden	Switzer-land	Total Western Europe
Million Dollars											
258.3	23.1	2,586.6	8.0	22.0	2,616.6	8.5	4.2	2.6	3.9	12.8	2,648.6
264.0	22.9	2,253.6	8.4	30.6	2,292.6	5.5	3.3	2.0	6.2	13.0	2,322.6
307.2	29.1	2,543.4	15.4	57.7	2,616.5	3.5	4.6	2.3	6.1	13.3	2,646.3
1,991.7	514.8	9,661.1	21.0	94.0	9,776.1	49.8	0.6	11.3	56.5	205.2	10,099.5
1,801.1	456.1	8,576.8	9.3	113.5	8,699.6	46.7	1.1	12.0	43.2	197.9	9,000.5
1,805.4	438.6	9,167.8	37.3	128.6	9,333.7	40.8	0.7	16.0	52.2	188.1	9,631.5
954.2	220.9	6,637.0	12.3	104.3	6,753.6	48.2	2.9	6.5	30.4	134.0	6,975.6
811.3	208.8	5,952.7	15.3	113.0	6,081.0	48.0	4.1	6.8	30.0	122.0	6,291.9
781.4	241.2	6,321.6	15.3	118.5	6,455.4	52.3	4.7	7.4	35.0	114.7	6,669.5
899.9	79.4	6,787.5	486.5	908.2	8,182.2	71.9	30.3	109.4	93.6	273.7	8,761.1
844.0	92.2	6,876.5	507.5	613.9	7,997.9	70.6	31.3	99.2	95.7	246.4	8,541.1
919.0	116.3	6,984.7	335.6	553.6	7,873.9	87.1	44.6	81.3	94.9	223.4	8,405.2
274.0	0.9	1,764.5	96.5	8.1	1,869.1	0.6	0.7	37.6	8.2	77.3	1,993.5
227.2	5.5	1,991.2	127.6	20.9	2,139.7	0.5	7.1	35.6	10.4	54.3	2,247.6
299.2	66.6	2,361.8	88.1	31.5	2,481.4	0.4	13.5	28.1	9.7	43.6	2,576.7
107.7	5.3	576.4	18.4	13.0	607.8	15.5	6.7	4.6	14.8	14.0	663.4
115.4	6.3	593.3	34.6	26.9	654.8	16.8	5.5	4.4	13.6	15.9	711.0
126.5	5.5	620.8	33.0	7.4	661.2	15.8	7.7	4.2	15.4	14.0	718.3
364.0	48.6	3,105.4	369.5	875.7	4,350.6	11.6	5.4	22.0	12.9	116.3	4,518.8
323.8	54.5	2,879.5	343.5	553.3	3,776.3	8.5	0.7	14.8	10.3	115.7	3,926.3
307.1	14.8	2,469.9	210.9	502.2	3,183.0	26.0	4.1	5.6	7.3	94.2	3,320.2
2,606.6	33.9	13,328.1	28.2	150.2	13,506.5	368.3	208.0	217.9	480.8	626.8	15,408.3
2,590.7	35.1	13,327.4	44.1	149.5	13,521.0	362.4	197.8	211.6	490.2	627.8	15,410.8
2,625.6	32.6	13,759.3	60.7	172.1	13,992.1	390.7	206.0	202.8	484.5	618.9	15,895.0
672.1	3.7	1,945.1	59.4	29.6	2,034.1	29.7	48.6	77.5	37.4	74.7	2,302.0
703.5	4.6	2,041.5	66.3	23.1	2,130.9	26.9	27.7	67.0	46.3	65.9	2,364.7
654.7	23.1	1,921.7	47.2	25.5	1,994.4	24.3	29.2	59.7	47.7	64.3	2,219.6
1,212.9	105.7	7,876.5	54.4	457.1	8,388.0	283.3	229.7	186.9	371.4	302.8	9,762.1
1,733.0	119.0	9,200.4	61.0	483.9	9,745.3	286.6	269.9	200.7	408.0	315.0	11,225.5
1,553.8	122.5	9,646.0	67.6	494.2	10,207.8	309.4	225.5	188.3	411.3	381.7	11,724.0
793.9	39.4	7,130.9	30.1	169.4	7,330.4	155.0	60.3	39.8	167.2	134.3	7,887.0
673.0	44.0	6,202.5	28.3	189.5	6,420.3	149.3	55.4	40.7	159.2	134.6	6,959.5
628.2	41.3	5,518.8	31.4	206.1	5,756.3	134.7	53.9	33.3	130.1	121.2	6,229.5
411.3	3.1	4,152.2	10.0	147.0	4,309.2	115.4	--	20.0	51.9	8.2	4,504.7
350.9	11.6	3,554.9	5.9	165.4	3,726.2	109.5	0.2	19.4	49.5	14.7	3,919.5
315.7	7.3	3,019.0	2.4	183.5	3,204.9	98.0	0.0	9.7	35.8	6.0	3,354.4
80.6	13.5	382.9	--	10.0	392.9	16.4	48.0	0.1	56.5	47.7	556.6
78.0	13.8	376.7	0.1	11.3	388.1	15.6	43.9	0.1	55.3	36.4	539.4
84.3	13.4	374.9	1.6	8.2	384.7	12.2	39.9	1.3	44.7	31.1	513.9
318.2	30.1	1,243.0	7.2	46.7	1,296.9	34.0	35.4	34.2	68.2	50.5	1,519.2
351.9	48.7	1,386.8	7.6	38.8	1,433.2	36.4	34.8	37.7	68.6	56.3	1,667.0
397.8	46.5	1,527.2	7.0	41.2	1,575.4	36.6	36.7	43.9	75.2	61.7	1,829.5
74.7	--	123.2	0.3	--	123.5	--	--	0.1	0.1	0.5	124.2
83.7	0.3	150.6	0.2	--	150.8	--	--	0.1	--	0.7	151.6
85.0	0.2	146.3	0.2	--	146.5	--	0.0	0.4	--	0.5	147.4
40.8	12.0	139.4	--	2.3	141.7	2.3	--	0.1	5.0	0.7	149.8
48.2	23.4	201.0	--	2.6	203.6	2.9	--	0.2	6.0	1.6	214.3
52.3	19.9	227.1	0.1	2.5	229.7	2.8	0.0	0.1	5.4	1.9	239.9

Appendix table 4--Agricultural imports by country, European Community and Other Western Europe, 1983-85--Continued

Commodity and year		SITC Numbers		European Community						
		Major headings	Sub-headings	Belgium Luxembourg	France	West Germany	Italy	Nether-lands	Denmark	Ireland
				Million Dollars						
Beverages	1983	11		423.1	499.6	933.0	238.0	347.1	113.6	49.1
	1984			396.0	482.6	836.5	233.4	349.0	116.3	54.0
	1985			400.6	538.3	920.3	329.7	359.0	142.1	65.1
Nonalcoholic	1983		111	55.9	47.2	51.9	5.9	51.9	2.8	5.0
	1984			69.1	59.7	50.1	4.7	54.2	2.9	5.9
	1985			66.9	57.9	56.6	9.6	56.8	3.3	7.5
Wine	1983		1121	253.9	218.8	618.3	41.9	218.1	86.3	17.4
	1984			229.0	207.6	546.1	44.7	218.0	88.7	18.1
	1985			243.5	244.5	597.9	75.6	226.1	102.1	21.1
Tobacco, unmanufactured	1983	121		126.9	76.8	567.8	163.7	315.5	33.8	19.4
	1984			122.8	92.7	467.7	120.9	283.2	75.3	17.5
	1985			134.6	101.2	515.3	167.9	299.5	81.8	23.7
Tobacco, manufactured	1983	122		98.4	430.0	148.2	304.6	199.7	6.0	22.2
	1984			106.1	454.8	141.1	293.9	178.2	5.2	20.6
	1985			105.4	539.2	147.8	407.7	188.9	6.1	22.0
Hides, skins, and furs, undressed	1983	21		83.8	205.4	357.4	824.4	99.9	233.7	1.5
	1984			100.8	214.4	361.5	1,177.9	125.0	70.0	4.2
	1985			96.1	226.1	365.5	1,181.8	125.3	103.1	2.5
Oilseeds, oil, nuts, and oil kernels	1983	22		496.1	303.3	1,453.3	447.0	990.0	85.6	3.2
	1984			542.7	334.3	1,311.5	505.7	1,088.1	84.2	2.9
	1985			550.2	236.6	1,497.9	468.0	1,007.2	36.3	3.1
Soybeans	1983		2214	408.1	220.8	770.3	376.0	702.4	50.4	1.7
	1984			409.7	178.4	723.8	444.5	809.7	44.3	0.9
	1985			341.3	142.6	673.1	378.5	695.4	25.7	1.3
Natural rubber	1983	2311		36.2	178.5	190.4	128.9	19.6	4.8	7.5
	1984			40.5	188.4	212.4	142.0	13.9	4.4	7.6
	1985			35.5	153.3	185.6	132.8	12.5	4.1	5.5
Natural fibers	1983	261-		299.1	732.6	809.9	1,257.0	74.8	21.3	58.4
	1984	265		387.1	828.0	902.2	1,527.5	77.7	22.7	63.1
	1985			381.1	762.0	856.8	1,590.9	84.0	20.6	62.4
Raw cotton	1983		2631	58.5	269.4	351.6	443.4	16.3	4.4	30.0
	1984			63.8	276.0	374.6	490.9	17.1	5.0	34.0
	1985			61.3	234.8	360.2	465.9	15.0	2.9	29.9
Crude animal & veg. matls. not elsewhere spec.	1983	29		163.2	604.6	1,369.0	306.0	307.7	144.2	32.2
	1984			157.1	584.6	1,311.0	300.5	333.2	142.2	28.2
	1985			165.8	651.4	1,317.4	410.0	341.4	152.0	32.1
Agricultural fats and oils	1983	4		272.3	618.3	723.7	556.8	560.6	93.3	42.0
	1984			367.7	825.7	1,037.8	511.8	846.0	130.2	59.1
	1985			353.1	742.0	933.7	687.9	759.9	143.0	62.7
Animal & vegetable oils & fats, pro-cessed	1983		431	61.6	93.0	136.1	36.0	82.3	37.3	9.7
	1984			80.0	125.6	194.3	49.1	123.5	63.4	12.6
	1985			78.9	111.1	210.9	54.0	124.4	70.2	14.7
Total agri-cultural	1983			6,799.8	12,614.7	21,023.1	13,107.6	9,896.1	2,053.8	1,255.7
	1984			7,178.7	12,540.8	20,797.5	13,156.9	10,006.7	1,920.3	1,237.0
	1985			6,924.1	12,589.4	21,242.5	15,030.5	10,069.4	1,901.0	1,304.8
Total imports	1983			53,653.5	105,271.8	152,010.8	78,322.5	61,585.5	16,179.0	9,169.0
	1984			54,746.3	103,612.7	152,872.0	81,970.9	62,136.1	16,535.9	9,658.0
	1985			55,560.8	107,588.1	157,596.6	88,592.5	65,212.3	17,985.5	10,048.9

-- = None or negligible.
Source: UN Trade Statistics 1981-1985. SITC is the Standard International Trade Classification revised.

Appendix table 4--Agricultural imports by country, European Community and Other Western Europe, 1983-85--Continued

United Kingdom	Greece	Total EC-10	Portugal	Spain	Total EC-12	Other Western Europe: Austria	Finland	Norway	Sweden	Switzer- land	Total Western Europe
				Million Dollars							
936.2	30.1	3,569.8	6.6	98.5	3,674.9	39.2	20.1	41.5	132.6	271.8	4,180.1
946.7	29.3	3,443.8	5.7	85.3	3,534.8	37.4	16.6	35.7	124.2	269.5	4,018.2
1,087.2	40.3	3,882.6	5.9	89.7	3,978.2	40.2	17.2	46.9	130.9	293.2	4,506.6
52.2	8.8	281.6	--	8.6	290.2	3.7	1.9	2.0	7.4	24.8	330.0
40.1	8.1	294.8	--	3.2	298.0	3.2	1.1	2.5	9.0	23.8	337.6
39.5	9.1	307.2	--	4.2	311.4	2.8	1.6	4.2	11.2	26.7	357.9
595.3	1.0	2,051.0	0.2	4.5	2,055.7	15.4	8.7	18.6	64.5	202.6	2,365.5
625.4	1.0	1,978.6	0.2	3.0	1,981.8	15.4	7.9	17.5	61.3	202.5	2,286.4
738.4	1.0	2,250.2	0.1	3.4	2,253.7	17.6	7.6	21.8	65.0	222.0	2,587.7
424.5	30.7	1,759.1	27.9	299.3	2,086.3	34.4	35.5	25.5	48.6	95.1	2,325.4
429.4	33.5	1,643.0	27.5	324.4	1,994.9	30.6	35.3	26.4	51.9	79.7	2,218.8
352.2	28.1	1,704.3	17.8	301.0	2,023.1	37.0	33.9	22.1	54.3	84.3	2,254.7
98.1	10.7	1,317.9	0.5	49.1	1,367.5	5.7	2.9	20.4	29.8	15.5	1,441.8
116.9	8.2	1,325.0	0.2	60.0	1,385.2	5.3	3.7	22.9	31.9	14.3	1,463.3
146.7	10.8	1,574.6	0.2	38.3	1,613.1	4.0	5.0	23.7	31.4	14.0	1,691.2
280.3	28.3	2,114.8	36.5	142.7	2,294.0	29.5	33.2	14.0	47.7	10.5	2,428.9
315.7	34.6	2,404.1	54.4	226.2	2,684.7	33.6	34.0	21.5	59.2	16.9	2,849.9
307.9	38.0	2,446.3	58.2	269.9	2,774.4	35.2	42.5	16.0	58.8	23.0	2,949.9
407.4	56.1	4,241.9	282.6	795.0	5,319.5	9.5	39.3	94.6	18.0	43.1	5,524.0
315.1	27.2	4,211.7	406.6	743.6	5,361.9	10.5	25.3	93.5	28.8	55.1	5,575.1
307.7	53.4	4,160.4	270.9	478.2	4,909.5	10.7	33.6	80.3	25.1	51.2	5,110.4
196.5	45.6	2,771.8	183.6	762.0	3,717.4	0.4	34.5	86.9	1.1	25.9	3,866.2
153.8	15.5	2,780.6	258.2	714.9	3,753.7	0.5	20.5	82.6	0.8	29.0	3,887.1
126.0	38.5	2,422.4	199.7	448.5	3,070.6	0.6	29.1	68.2	0.1	29.4	3,198.0
124.7	8.8	699.4	10.7	91.1	801.2	23.1	7.1	3.2	12.6	3.0	850.2
127.2	9.9	746.3	11.5	104.0	861.8	27.0	7.2	3.4	13.0	3.1	915.5
115.3	9.2	653.8	10.8	100.2	764.8	23.7	7.1	3.0	12.5	3.1	814.2
563.9	120.3	3,937.3	277.4	220.3	4,435.0	87.4	28.2	12.3	20.5	197.2	4,780.6
658.3	123.2	4,589.8	336.6	213.2	5,139.6	91.8	30.8	13.1	24.6	226.8	5,526.7
697.0	134.3	4,589.1	322.2	242.4	5,153.7	91.6	24.2	12.0	20.9	245.2	5,547.6
84.1	78.6	1,336.2	230.0	129.8	1,696.0	45.2	15.6	3.6	6.4	108.7	1,875.5
88.2	76.8	1,426.4	287.9	118.0	1,832.3	46.2	16.2	4.7	10.2	122.8	2,032.4
84.5	86.6	1,341.1	272.7	143.2	1,757.0	45.8	12.2	3.9	7.8	133.6	1,960.3
424.2	20.2	3,371.2	21.2	95.4	3,487.8	130.0	87.9	49.9	155.6	189.8	4,101.0
425.7	21.7	3,304.2	17.6	90.1	3,411.9	122.5	88.6	48.0	156.4	197.5	4,024.9
465.2	23.8	3,559.1	17.1	105.9	3,682.1	121.6	103.2	49.2	164.8	204.2	4,325.1
544.0	13.1	3,424.1	21.1	66.2	3,511.4	80.7	18.4	18.6	80.6	49.9	3,759.6
715.5	10.3	4,504.1	34.1	86.6	4,624.8	106.2	21.6	27.4	100.8	59.9	4,940.7
684.9	16.7	4,383.9	24.3	90.4	4,498.6	97.8	20.1	34.8	104.8	63.7	4,819.8
96.4	9.7	562.1	4.5	4.9	571.5	18.4	8.6	2.5	21.2	11.6	633.8
110.4	5.7	764.6	6.4	6.1	777.1	24.7	7.4	3.8	26.3	13.3	852.6
109.5	6.7	780.4	6.5	5.5	792.4	22.5	7.2	3.7	26.1	12.6	864.5
13,511.1	1,369.3	81,631.4	1,391.6	3,839.1	86,862.1	1,488.2	892.6	966.0	1,855.3	2,690.7	94,754.9
13,823.0	1,329.3	81,990.2	1,642.0	3,689.2	87,321.4	1,497.3	888.5	969.6	1,938.2	2,701.7	95,316.7
13,837.2	1,445.8	84,344.7	1,344.9	3,513.5	89,203.1	1,541.2	892.7	923.0	1,940.5	2,769.2	97,269.7
99,443.9	9,499.6	585,135.5	8,256.7	28,925.6	622,317.8	19,321.7	12,846.2	13,494.2	26,090.4	28,934.0	723,004.3
105,687.5	9,611.0	596,830.4	7,975.3	28,606.6	633,412.3	19,572.8	12,435.4	13,885.0	26,331.2	29,624.0	735,260.7
109,414.5	10,137.9	622,137.1	7,649.7	30,066.5	659,853.3	20,802.6	13,225.9	14,519.1	28,537.7	30,625.9	767,564.5

Appendix table 5--Agricultural exports by country, European Community and Other Western Europe, 1983-85

Commodity and year		SITC Numbers: Major headings	SITC Numbers: Sub-headings	European Community: Belgium Luxembourg	France	West Germany	Italy	Nether-lands	Denmark	Ireland
				Million Dollars						
Live animals	1983	0		210.4	889.3	341.4	11.9	537.6	27.7	291.0
	1984			198.6	796.6	294.5	17.1	502.6	20.1	277.8
	1985			200.9	827.8	294.9	14.0	547.0	20.1	268.5
Meat and meat preparations	1983	1		845.0	1,304.5	1,186.8	252.7	2,332.5	1,996.6	688.8
	1984			854.3	1,272.1	1,113.7	279.1	2,259.2	1,905.9	579.7
	1985			840.4	1,194.2	1,080.9	364.8	2,369.5	1,938.3	649.9
Dairy products and eggs	1983	2		718.1	1,757.8	1,891.5	166.6	2,802.0	792.0	490.4
	1984			737.2	1,729.8	1,868.1	179.5	2,539.3	737.5	633.5
	1985			704.4	1,721.2	1,813.6	205.0	2,415.7	694.3	572.4
Cereals and cereal preparations	1983	4		858.1	4,329.2	795.9	682.4	484.5	311.7	51.3
	1984			986.5	4,515.1	929.5	731.4	475.5	402.4	69.9
	1985			773.5	4,637.8	800.3	1,076.1	509.0	424.3	75.5
Wheat and flour	1983		41	73.5	2,249.5	259.5	199.4	122.3	22.8	3.6
	1984		46	147.1	2,396.9	389.8	198.8	110.4	73.1	10.1
	1985			135.0	2,647.0	255.3	345.5	116.3	65.7	9.6
Rice	1983		42	89.9	41.4	23.1	224.8	62.2	0.3	0.5
	1984			105.0	37.8	24.8	226.4	53.5	0.4	0.3
	1985			113.8	10.9	23.3	304.3	56.7	0.3	—
Feed grains	1983		043-	411.4	1,573.8	131.2	34.4	42.2	127.0	18.4
	1984		45	428.7	1,624.0	141.9	37.6	32.1	152.6	31.1
	1985			221.3	1,500.7	114.9	95.2	29.4	160.2	32.5
Fruit and vegetables	1983	5		580.3	1,239.1	588.9	2,161.1	2,344.7	100.2	35.3
	1984			598.5	1,233.7	578.3	2,057.7	2,284.0	118.6	40.7
	1985			657.9	1,301.3	627.9	2,249.7	2,127.7	145.8	45.2
Sugar, sugar preparations, and honey	1983			274.1	916.3	471.9	51.3	348.8	141.5	57.5
	1984	6		282.0	798.8	412.5	59.0	284.2	112.6	59.4
	1985			228.6	630.4	375.4	69.3	284.2	117.0	61.5
Coffee, tea, cocoa, spices, etc.	1983	7		310.0	273.6	775.8	124.2	827.8	44.2	93.1
	1984			349.8	308.4	899.2	153.0	963.7	46.2	100.3
	1985			434.8	379.3	1,051.1	163.0	1,024.5	53.2	103.9
Animal feed	1983	8		492.5	563.0	802.7	123.9	936.5	175.9	49.5
	1984			494.6	592.9	726.9	127.0	797.2	173.3	41.3
	1985			445.4	530.5	777.4	114.0	720.8	141.3	40.3
Oilseed cake and meal	1983		813	292.8	27.2	347.3	33.4	528.9	2.9	0.8
	1984			283.0	32.0	257.7	37.0	407.5	2.5	0.5
	1985			247.7	22.2	279.6	31.3	332.8	1.3	0.6
Meatmeal and fishmeal	1983		814	34.0	39.4	91.7	32.8	14.2	130.4	5.5
	1984			46.1	39.9	103.1	23.5	17.7	124.9	6.1
	1985			21.0	26.2	86.9	30.2	16.9	89.2	5.8
Miscellaneous food preparations	1983	9		217.9	244.0	341.7	91.9	533.0	135.3	311.2
	1984			231.5	254.5	351.5	93.4	592.2	152.8	345.5
	1985			261.4	262.2	386.2	115.2	625.3	157.6	436.5

See footnotes at end of table.

Appendix table 5--Agricultural exports by country, European Community and Other Western Europe, 1983-85--Continued

United Kingdom	Greece	Total EC-10	Portugal	Spain	Total EC-12	Other Western Europe: Austria	Finland	Norway	Sweden	Switzer-land	Total Western Europe
						Million Dollars					
283.8	1.1	2,594.1	0.4	11.4	2,605.9	70.6	2.4	0.5	5.5	10.3	2,695.2
256.1	1.3	2,364.7	0.5	8.9	2,374.1	62.4	2.9	0.4	5.6	8.8	2,454.2
338.9	0.8	2,512.9	1.0	7.8	2,521.7	46.7	2.0	0.3	7.5	11.4	2,589.6
751.0	0.7	9,358.5	8.3	38.0	9,404.8	88.0	89.0	19.6	143.9	8.5	9,753.8
658.4	1.5	8,923.9	11.2	41.7	8,976.8	109.6	64.1	14.3	150.1	6.9	9,321.8
643.5	1.5	9,083.0	11.8	31.7	9,126.5	135.1	70.4	13.2	144.7	8.8	9,498.7
467.1	13.7	9,099.3	6.1	20.1	9,125.5	145.4	185.3	66.6	70.7	263.0	9,856.5
330.7	13.9	8,769.6	9.3	12.9	8,791.8	148.8	164.7	53.6	55.4	238.3	9,452.6
364.0	15.9	8,506.5	7.6	6.4	8,520.5	130.3	145.5	48.0	49.4	245.9	9,139.6
1,122.6	215.9	8,851.7	5.1	81.6	8,938.4	150.8	37.0	9.9	180.1	29.9	9,346.1
1,331.0	270.4	9,711.7	4.0	47.3	9,763.0	169.1	118.8	10.3	203.2	29.4	10,293.8
1,077.6	172.4	9,546.5	2.8	168.8	9,718.1	145.7	84.3	11.2	254.1	34.1	10,247.5
290.4	196.6	3,417.6	—	54.2	3,471.8	91.8	7.2	0.2	80.9	0.1	3,652.0
377.8	184.6	3,944.6	—	15.5	3,960.1	83.8	7.9	0.3	109.4	0.1	4,161.6
306.1	118.4	3,998.9	—	34.9	4,033.8	89.4	7.6	0.1	91.2	--	4,222.1
1.6	0.7	444.6	0.4	10.2	455.2	—	0.1	0.1	0.1	--	455.5
2.4	8.2	458.6	0.1	14.6	473.3	—	—	—	0.1	--	473.4
2.8	3.9	516.0	—	32.6	548.6	—	—	—	0.2	--	548.8
439.8	1.7	2,779.9	0.1	6.4	2,786.4	19.8	10.1	—	52.2	0.4	2,868.9
598.6	8.0	3,054.7	0.2	4.5	3,059.4	44.7	91.6	—	43.8	0.4	3,239.9
415.4	35.4	2,605.0	0.1	85.2	2,690.3	19.0	57.0	—	107.8	--	2,874.1
249.8	640.1	7,939.6	102.4	1,620.0	9,662.0	56.9	12.1	5.6	44.5	40.6	9,821.7
258.6	681.7	7,851.8	104.7	1,999.5	9,956.0	67.0	10.4	4.4	44.7	42.2	10,124.7
268.3	690.9	8,114.7	94.7	1,843.9	10,053.3	73.7	7.1	4.7	40.4	34.6	10,213.8
219.8	12.1	2,493.2	12.7	35.3	2,541.2	34.5	32.1	2.7	29.7	26.8	2,667.0
222.1	14.6	2,245.2	6.8	43.0	2,295.0	20.0	16.7	2.4	29.2	26.9	2,390.2
285.6	8.2	2,060.2	2.7	48.6	2,111.5	15.7	10.6	2.7	30.3	32.1	2,202.9
441.4	8.4	2,898.4	1.3	83.0	2,982.7	38.9	33.4	9.4	56.4	151.6	3,272.4
487.3	8.2	3,316.0	2.0	95.8	3,413.8	39.8	33.3	10.3	63.4	157.4	3,718.0
505.6	7.7	3,723.1	1.5	110.0	3,834.6	72.2	34.2	7.9	62.3	172.9	4,184.1
119.5	50.2	3,313.8	29.4	209.0	3,552.2	15.2	10.8	173.3	12.2	23.3	3,787.0
129.8	44.3	3,127.4	43.9	236.7	3,408.0	10.9	7.5	146.7	11.5	20.7	3,605.3
157.6	28.6	2,955.9	34.2	108.6	3,098.7	10.4	7.8	97.9	11.2	20.9	3,246.9
6.7	15.5	1,255.3	26.0	130.7	1,412.0	--	—	39.0	3.4	0.2	1,454.6
7.1	6.6	1,033.9	41.8	161.6	1,237.3	--	—	34.0	1.4	0.4	1,273.1
6.2	8.0	929.7	33.2	63.4	1,026.3	--	—	24.6	0.4	0.3	1,051.6
2.2	—	350.1	1.1	1.5	52.7	3.0	--	123.5	0.5	0.7	480.4
3.1	—	364.5	0.3	1.6	366.4	3.7	--	101.2	1.0	0.7	473.0
2.6	—	278.8	0.1	1.4	280.3	4.2	--	60.9	0.6	0.8	346.8
210.4	6.0	2,091.3	3.8	46.8	2,141.9	15.6	18.7	14.9	29.5	172.8	2,393.4
201.3	8.3	2,231.1	5.1	42.1	2,278.3	18.7	11.8	15.0	35.4	154.6	2,513.8
229.6	8.3	2,482.3	5.0	44.2	2,531.5	20.6	25.0	13.1	45.8	166.0	2,802.0

Appendix table 5--Agricultural exports by country, European Community and Other Western Europe, 1983-85--Continued

Commodity and year		SITC Numbers: Major headings	SITC Numbers: Sub-headings	European Community: Belgium Luxembourg	France	West Germany	Italy	Nether-lands	Denmark	Ireland
				Million Dollars						
Beverages	1983	11		179.6	2,523.4	646.8	869.7	470.4	116.1	187.4
	1984			174.3	2,656.6	652.3	904.0	486.7	110.6	186.6
	1985			190.8	2,981.2	709.6	988.7	449.9	106.9	210.7
Nonalcoholic	1983		111	74.2	115.0	57.9	12.9	116.0	14.2	15.0
	1984			75.9	122.1	55.4	14.4	141.8	14.7	13.3
	1985			86.4	145.3	75.3	14.6	94.8	13.1	12.3
Wine	1983		1121	31.1	1,552.2	342.6	784.7	9.9	3.2	0.3
	1984			23.1	1,683.1	347.5	803.2	9.5	3.5	0.4
	1985			24.0	1,941.3	362.2	879.7	8.9	4.0	0.5
Tobacco, unmanufactured	1983	121		16.9	19.5	24.0	96.6	69.2	2.4	0.3
	1984			19.7	25.0	20.3	105.3	59.2	2.8	0.6
	1985			19.9	21.3	23.3	91.6	52.2	4.5	0.4
Tobacco, manufactured	1983	122		205.4	70.8	439.4	5.1	577.4	42.2	38.7
	1984			184.5	64.9	416.2	3.8	597.0	43.8	38.0
	1985			204.0	66.3	468.3	5.2	643.3	48.8	41.2
Hides, skins, and furs, undressed	1983	21		65.9	270.4	159.9	35.2	194.0	411.7	40.7
	1984			91.5	342.8	209.7	48.8	233.5	313.5	57.7
	1985			82.5	337.4	200.7	68.9	238.9	342.5	61.6
Oilseeds, oil nuts, and oil kernels	1983	22		14.8	655.0	46.3	1.1	64.5	115.8	2.6
	1984			20.2	302.6	57.5	2.7	56.9	105.5	3.4
	1985			14.8	572.3	51.5	3.0	54.0	171.6	6.0
Natural rubber	1983	2311		1.1	4.1	3.9	2.5	3.6	--	0.1
	1984			1.8	8.6	5.2	2.2	1.7	--	0.1
	1985			0.4	9.2	4.6	2.6	1.8	--	0.1
Natural fibers	1983	261-265		200.0	476.4	171.8	46.4	49.6	1.2	16.7
	1984			264.7	549.1	204.8	66.4	44.2	1.3	17.2
	1985			253.5	544.2	197.4	57.9	50.3	1.4	15.2
Crude animal & veg. matls. not elsewhere spec.	1983	29		143.6	280.0	336.9	227.5	1,590.5	278.5	34.0
	1984			147.0	280.2	342.4	243.3	1,603.9	266.7	33.6
	1985			167.5	280.4	380.1	226.2	1,732.7	292.8	37.0
Agricultural fats and oils	1983	4		263.6	313.3	675.8	176.2	668.5	107.4	11.0
	1984			390.0	422.8	901.5	254.7	978.5	129.7	15.2
	1985			423.3	414.1	953.3	301.3	878.3	131.4	17.0
Animal and vegetable oils and fats processed	1983		431	31.7	35.3	230.3	26.8	207.9	43.3	0.9
	1984			45.9	48.1	310.6	37.5	272.5	56.2	0.8
	1985			50.6	39.9	294.7	39.7	245.8	61.5	0.9
Total agricultural	1983			5,597.5	16,129.7	9,701.5	5,126.3	14,834.8	4,800.5	2,399.6
	1984			6,026.7	16,154.5	9,984.2	5,328.4	14,759.5	4,643.3	2,500.5
	1985			5,904.0	16,710.7	10,196.5	6,116.5	14,725.1	4,791.8	2,642.9
Total exports	1983			51,675.6	91,144.4	168,748.0	72,669.8	65,676.2	15,600.6	8,608.5
	1984			51,416.4	93,163.9	171,014.2	73,357.9	65,873.9	15,485.5	9,626.7
	1985			53,316.4	97,456.5	183,333.9	78,943.4	68,282.4	16,469.0	10,399.2

-- = None or negligible.
Source: UN Trade Statistics 1981-1985. SITC is the Standard International Trade Classification revised.

Appendix table 5--Agricultural exports by country, European Community and Other Western Europe, 1983-85--Continued

United Kingdom	Greece	Total EC-10	Portugal	Spain	Total EC-12	Other Western Europe					Total Western Europe
						Austria	Finland	Norway	Sweden	Switzer-land	
						Million Dollars					
1,592.6	41.3	6,627.4	181.4	339.4	7,148.2	66.3	12.9	4.4	10.3	33.8	7,275.9
1,551.2	39.9	6,762.2	179.8	333.8	7,275.8	61.5	16.3	3.8	16.4	39.9	7,413.7
1,621.9	54.4	7,314.1	188.8	373.4	7,876.3	58.4	20.5	4.3	20.7	39.6	8,019.8
24.3	4.2	433.6	0.9	3.9	438.4	22.1	0.8	0.7	3.3	25.0	490.3
23.4	3.5	464.6	0.8	4.7	470.1	20.5	3.2	0.6	3.4	30.0	527.8
27.9	1.8	471.5	2.3	3.3	477.1	21.2	6.1	1.1	4.5	26.6	536.6
50.4	18.4	2,792.9	176.2	303.4	3,272.5	28.3	--	--	--	3.2	3,304.0
51.5	19.4	2,941.2	174.2	296.0	3,411.4	25.7	--	--	--	4.2	3,441.3
53.6	34.1	3,308.3	181.5	332.7	3,822.5	20.4	--	--	--	7.6	3,850.5
12.2	192.5	433.6	0.2	3.7	437.5	0.4	--	0.1	0.6	24.8	463.4
15.7	183.1	431.6	--	2.9	434.5	0.9	--	--	0.4	29.0	464.8
11.7	149.9	374.8	0.3	1.8	376.9	0.4	0.1	0.1	0.5	28.5	406.5
646.8	3.1	2,028.9	1.3	9.5	2,039.7	1.8	8.9	7.9	17.2	92.9	2,168.4
548.6	2.2	1,898.9	1.3	7.1	1,907.3	1.8	8.9	7.3	17.3	87.1	2,029.7
590.3	3.0	2,070.4	1.1	4.9	2,076.4	1.7	9.0	6.3	17.3	69.6	2,180.3
303.3	28.2	1,509.3	5.5	12.9	1,527.7	14.6	192.5	69.3	71.0	33.0	1,908.1
375.8	37.2	1,710.5	5.5	12.2	1,728.2	21.7	260.2	74.8	75.1	46.1	2,206.1
373.3	39.9	1,745.7	6.3	15.7	1,767.7	25.6	257.7	79.3	98.2	49.8	2,278.3
57.3	0.9	958.4	0.1	5.2	963.7	3.8	--	0.1	34.2	1.8	1,003.6
72.4	1.1	622.3	--	3.8	626.1	4.6	--	--	21.7	1.8	654.2
116.9	9.4	999.5	--	3.7	1,003.2	4.4	--	0.1	24.6	1.9	1,034.2
4.5	--	19.7	--	0.1	19.8	0.3	--	--	0.5	--	20.6
5.5	--	25.2	--		25.2	0.2	--	--	0.5	--	25.9
4.4	--	23.1	--	0.4	23.5	--	0.1	--	0.5	--	24.1
291.4	49.9	1,303.5	5.6	32.7	1,341.8	8.8	0.3	5.1	1.5	29.5	1,387.0
326.6	75.0	1,549.4	8.3	53.1	1,610.8	8.1	0.6	4.9	1.8	34.1	1,660.3
324.5	72.5	1,516.9	6.9	76.0	1,599.8	9.4	0.4	5.2	1.2	31.8	1,647.8
98.4	10.5	2,999.9	15.2	81.5	3,096.6	19.2	5.5	17.4	31.4	29.8	3,199.9
101.4	13.7	3,032.3	13.5	97.4	3,143.2	15.9	5.1	12.6	29.5	31.0	3,237.3
122.0	12.8	3,251.5	13.3	110.1	3,374.9	15.7	4.8	11.1	31.0	36.6	3,474.1
89.5	252.4	2,557.7	79.9	317.6	2,955.2	13.9	20.5	84.1	69.9	14.8	3,158.4
122.0	183.6	3,397.8	114.9	439.3	3,952.0	15.7	24.0	87.4	90.8	17.8	4,187.7
124.0	94.0	3,336.7	89.4	475.2	3,901.3	16.2	23.1	79.2	88.2	18.1	4,126.1
39.6	2.3	618.1	1.9	5.5	625.5	2.1	10.2	31.1	29.5	5.1	703.5
43.8	1.4	816.9	3.3	6.7	826.9	2.3	15.6	46.4	33.2	4.7	929.1
56.5	0.7	790.3	2.7	7.1	800.1	2.5	15.4	34.9	39.1	4.0	896.0
6,961.4	1,527.0	67,078.3	458.4	2,947.7	70,484.4	744.9	661.3	490.8	809.0	987.0	74,177.4
6,994.5	1,580.0	67,971.6	510.8	3,477.5	71,959.9	776.7	745.3	448.2	852.0	972.0	75,754.1
7,159.7	1,370.2	69,617.4	467.4	3,431.2	73,516.0	782.2	702.6	384.6	927.9	1,002.6	77,315.9
91,768.5	4,412.2	570,303.8	4,601.5	19,711.1	594,616.4	15,422.9	12,510.3	17,972.4	27,376.7	25,307.5	693,206.2
94,306.1	4,864.2	579,108.8	5,207.7	23,283.0	607,599.5	15,712.2	13,497.8	18,913.7	29,258.3	25,723.9	710,705.4
101,173.5	4,536.2	613,910.5	5,685.4	24,306.8	643,902.7	17,102.3	13,608.9	18,662.5	30,403.2	27,281.1	750,960.7

Appendix Table 6: EC support prices in European Currency Units 1/

Commodity	1983/84		1984/85		1985/86		1986/87		1987/88	
	Price	Percent change	Price	Percent change	Price	Percent change	Price	Percent change	Price	Percent change
	ECU/MT	Percent	ECU/MT	Percent	ECU/MT	Percent	ECU/MT	Percent	ECU/MT	Percent
Common soft wheat	184.58	3.0	182.73	-1.0	179.44	-1.8	170.47	-5.0	165.98	-2.63
Durum wheat	312.08	4.6	312.08	0	312.08	0	299.6	-4.0	285.49	-4.71
Barley	184.58	3.0	182.73	-1.0	179.44	-1.8	170.47	-5.0	165.98	-2.63
Corn	184.58	3.0	182.73	-1.0	179.44	-1.8	179.44	0	174.95	-2.50
Rice (unhusked)	306.53	5.5	314.19	2.5	314.19	0	314.19	0	314.19	0
Sugar beets	40.89	4.0	40.89	0	40.89	0	40.89	0	40.07	-2.0
White sugar	534.7	4.0	534.7	0	541.8	1.3	541.8	0	531.00	-2.0
Olive oil	2,299.2	5.5	2,276.2	-1.0	2,276.2	0	2,162.4	-5.0	2,162.4	0
Rapeseed	438.0	4.0	429.2	-1.0	421.5	-1.8	421.5	0	409.0	-3.0
Sunflowerseed	527.1	6.0	532.7	-1.0	524.7	-1.5	4/534.7	0	534.7	0
Soybeans	494.3	6.5	501.7	1.5	506.7	1.0	506.7	0	481.4	-5.0
Beans, field beans	291.9	6.5	289.0	-1.0	273.5	-5.4	276.2	1.0	248.6	-10.0
Dried fodder	178.94	6.0	177.15	-1.0	178.92	1.0	178.92	0	178.92	0
Fruits and vegs. 2/		+3.5 to + 5.5		-1 to + 2		-3 to +1		0 to +1		-5 to 0
Tobacco (raw) 2/		+4 to + 7.5		-3 to + 2		-2.5 to 0		0 to -6		-8 to 5
Cotton	881.2	8.0	894.4	1.5	912.3	2.0	912.3	0	912.3	0
Wine (Type R1)	3.45	5.5	3.42	-1.0	3.42	0	3.42	0	3.35	-2.0
Milk target price	274.3	2.3	274.3	-1.0	278.4	1.5	278.4	0	278.4	0
Butter	3,578.6	2.3	3,197.0	-10.6	3,132.0	-2.0	3,132.0	0	3,132.0	0
Skimmed milk powder	1,496.4	2.3	1,658.8	10.9	1,740.4	4.9	1,740.4	0	1,740.4	0
Cheese (6 month)	4,395.2	2.3	4,727.5	5.8	4,803.3	1.6	4,803.3	0	4,803.3	0
Beef & veal	1,863.9	5.5	1,845.2	-1.0	1,845.2	0	1,845.2	0	5/1,845.2	
Pork	2,053.87	5.5	2,033.3	-1.0	2,033.3	0	2,033.3	0	2,033.3	0
Sheep meat	4,323.6	5.5	4,280.4	-1.0	4,323.2	1.0	4,323.2	0	4,323.2	0
Exchange rate 3/ US$/ECU	.93		.85		.72		.95		6/1.13	

-- = Not available.

1/ Generally intervention prices or target prices tied to intervention purchasing mechanisms. When measured in the national currencies in which farmers are actually paid, the percent changes in prices vary widely among countries because of the effects of changes in MCA's and rates of currency exchange. 2/ Range of percentage changes for various products. 3/ Exchange rate in April, at beginning of EC marketing year for most commodities .0251h pg.1 4/ Includes a change in oil content for the standard quality of sunflowerseed. 5/ Beginning in 1987/88, the role of the intervention price in intervention purchasing in changed by new regulations. 6/ March rate.

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SPECIAL ARTICLE

APPENDIX TABLES

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